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FINANCIAL TIMES

Monday May 16 1977

***12p

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for CONSTRUCTION

Five die in air show crash

GENERAL

Five people, including two brothers aged 10 and 15, were killed yesterday when a five-minute 550-hp helicopter joy-ride ended in disaster at a Biggin Hill, Kent, air show.

Thousands of spectators saw the helicopter and a Tiger Moth pulled 100 feet above the ground before plunging into a Cessna training take-off. The other dead were the helicopter pilot, and a man and a woman who were passengers.

The wreckage of the Tiger Moth came down in the crash, but the pilot managed to make a belly landing. Wreckage from the Cessna was scattered along the runway which was cordoned off as an inquiry began.

The parents of the dead brothers, who had driven with their car and a daughter, 15, to the show early in the day, saw the collision.

Armed mobs in Italian demos

Many people were injured and minor property was damaged in week-end demonstrations in Rome, Milan, Naples, Turin and Palermo. Italian riot police used tear gas against the demonstrators in political demonstrations aimed at ousting Christian Democrat and Communist Party efforts to agree a legislative programme.

More violence in Pakistan

Violent demonstrations continued in Pakistan despite Mr. Bhutto's announcement of a referendum to decide his future as Prime Minister. Martial law is already operating in Karachi, Hyderabad and Lahore, and is expected to be extended to other parts of the country.

Cartier 'has' Midcast plan

President Carter, who is due to visit South Crown Prince Fahd in Washington next week, is working on a plan for a Middle East visit according to the Lebanese newspaper, *Al Nahar*. From Tel Aviv it was reported that the Likud Highways Opposition was closing the gap with Labour in the run-up to tomorrow's Israeli General Election.

London train bomb trial

Three men and a woman are due to appear at the Old Bailey today accused of plotting the bombing of a London underground train last March. The driver of the train died after a bombing incident moments after a bomb had exploded in one of its carriages.

Briefly...

- The Queen and Prince Philip travelled by rail to Scotland in two royal coaches at the start of a Jubilee visit.
- M. Jean Sarraguerres, former French Foreign Minister, is expected to be appointed Ambassador to the U.K. Page 25
- Herbert Wilcox, veteran British broadcaster, and his wife, Doreen Ann Wilcox, died in London. He was 83.
- Frank Sinatra is to sell 11 paintings at a Sotheby's evening sale next month. They are expected to fetch at least £500,000.
- Rachin resumed yesterday at Donington Park. Derby, scene of pre-war international motor racing.
- British Airways flights to Greece were cancelled again because of a strike by Greek air traffic controllers.
- Water Authority bills for 3p and 4p, payable by instalments, have been delivered to Midlands families.
- Zaire claimed the Shaba conflict was virtually over as Patangan rebels were reported in retreat. Page 4

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GEC attacks Drax order for Parsons as political

BY MAX WILKINSON

The General Electric Company has reacted angrily to last week's announcement that a £600m. power station is to be ordered two years before it is needed.

Mr. Bob Davidson, managing director of GEC Turbine Generators, said it would be an act of short-term political expediency to place the order with GEC's rival, C. A. Parsons, unless plans to rationalise the industry were agreed.

The Prime Minister said the order for a new 2000 MW station at Drax, near Selby in Yorkshire, would be placed with the manufacturer of the order will be Parsons, which is now retooling 1,400 redundancies because of lack of work.

Mr. Davidson said the placing of the Drax order with Parsons raised questions over jobs for the long run and would fail to secure the future of the industry.

It is our view, Mr. Davidson said, that there should be a single British technology which would be continuously developed and based on the best of the two existing main technologies. We have not claimed to have a monopoly on technology and it must be obvious that C. A. Parsons, with serious generator problems in at least four stations in three countries, does not either.

GEC has no turbine generator anywhere in the world today with comparable serious problems. In fact, GEC has not one single generator out of service due to design or other serious defects.

GEC would be more than happy to compete for the Drax contract, but it is reported that the Government is not prepared to allow the order to be awarded in fair competition. There must be lessons to be learnt from the fact that of the last 26 turbine generators ordered in the U.K., 21 have been won by GEC in competition, and of the remainder which went to Parsons, two were allocated by agreement.

The Industry Department supports the need for redundancies. The trade union movement is resisting that, and the Government, having previously accepted the Industry Department case, now appears to be wavering.

Mr. Callaghan's intervention is thought to have been sparked by a disagreement between Mr. Anthony Wedgwood Benn, the Energy Secretary, who supports the union line, and Mr. Eric Varley, the Industry Secretary, who is impressed by GEC's management and financial strength.

The National Union of Mine-workers, which Mr. Benn tends to support, strongly favours the early ordering of Drax, because the station will be coal-fired.

Three merger plans have so far been discussed:

- 1-A GEC takeover of Parsons, with the NEB acting as an intermediary for a short while.
- 2-A joint turbine generator company, with GEC as the majority shareholder (perhaps 60 per cent), and Parsons and the NEB as junior partners.
- 3-A joint company in which GEC would not have a majority (50 or 60 per cent), with the NEB and Parsons holding the balance.

Mr. Arnold Weinstein, the head of GEC, has adamantly opposed any solution in which GEC did not have control. His argument is that his company would be a takeover of Parsons.

Continued on Back Page

Tories to press Callaghan on smear

By Richard Evans, Lobby Editor

THE PRIME MINISTER is expected to be asked for a further explanation by the Conservatives over allegations of a Government smear campaign against Sir Peter Ramsbotham, Britain's outgoing Ambassador to the U.S.

All the indications are that the Tories will press for a statement from Mr. Callaghan in the Commons this afternoon and if this is not forthcoming voluntarily they will force one by tabling a private notice question. By tradition a private notice question is tabled only on a matter of importance and is not refused.

Conservative tactics will be decided today after Mrs. Thatcher, the party leader, returns to London from addressing the Scottish Tories at Perth over the weekend.

Whatever the outcome of Tory moves to press home their criticism of the Government's handling of the appointment of Mr. Peter Jay as the new Ambassador, its long-term political consequences could be considerable.

The immediate danger for Mr. Callaghan if he declines to make a further statement voluntarily or if it is considered unsatisfactory is that the Conservatives may be tempted to table a censure motion in the House that Labour's appointment could make the Premier's position difficult, if not untenable.

Mr. Callaghan has already warned close colleagues and issued a veiled threat to the Parliamentary Labour Party that he will resign if the appointment does not go through and precipitate a General Election that Labour appears certain to lose.

There was continuing deep disquiet within the Labour Party over the whole affair yesterday, with many MPs concerned that whatever Mr. Callaghan may say, the choice of his son-in-law for the Washington post and the allegations of smear tactics could rumble on into the next General Election campaign to Labour's grave detriment.

Unlike some Labour MPs, the Conservatives are not challenging the appointment of Mr. Jay on grounds of nepotism. The concern is with how the matter has been handled.

David Bell adds from Washington: Although the Carter administration has continued to keep discreetly silent about the allegations of a smear campaign directed at Sir Peter Ramsbotham, the Washington Post came to the Ambassador's defence with a strong editorial on Saturday.

Spain faces more violence this week

BY ROGER MATTHEWS MADRID, May 15

THE OUTBREAK of widespread violence in Spain's Basque region, which has cost five lives in 72 hours, threatens to continue this week with a general strike and demonstrations called throughout four provinces tomorrow.

Three of those who died were shot by the riot police or paramilitary Civil Guards and another 10 are seriously ill in hospital with bullet wounds. Dozens more have suffered lesser injuries.

Prime Minister Adolfo Suarez, who carries ultimate responsibility for the actions of the security forces, is understood to be deeply concerned about the worsening situation and the effect it could have on the popularity of the political alliance he heads for the June 15 general elections.

Parts of the Basque region are in almost open revolt against the authorities, with bitter hostility between the security forces and the local population.

Large forces of heavily armed riot police and Civil Guards are constantly patrolling the streets of the region's main cities which today were reported virtually deserted apart from occasional groups of demonstrators.

It is expected that the 'shut-down' tomorrow will be almost total and affect at least 30,000 workers in what is one of Spain's most highly industrialised areas.

The Prime Minister was vigorously attacked by his predecessor, Senator Carlo Arias, yesterday. Sr. Arias was making the first speech of his campaign to be elected a Senator for Madrid.

City councils, priests, election candidates, and most of the major political parties have all joined in condemnation of the security forces.

Some police officers have sought to dissociate themselves from the actions of their colleagues and the Civil Guards. After a memorial service yesterday for the first victim of last week's violence, police stood with loud-hallers outside the church as more than 4,000 mourners streamed out. "We are the people's police and we are with the people," they shouted. "Please disperse quietly."

But within an hour violence had returned to the town of Rentena, near San Sebastian, and Civil Guards clashed repeatedly with groups of demonstrators who tried to build barricades.

There were general strikes in San Sebastian and throughout the province of Guipuzcoa, together with Pamplona, capital of the province of Navarre. Many banks, offices and shops closed in mourning for the victims.

The killing of a man in the province of Vizcaya late last night led to fresh demonstrations in Bilbao today, where riot police fired rubber bullets and tear gas canisters.

The initial cause of the protest was the week-long campaign launched in the four provinces for a total political amnesty.

Ulster strike climbdown causes shifts in parties

GILES MERRITT IN BELFAST

THE UNRESTFUL aftermath of the unsuccessful 11-day Ulster strike, the weekend has produced significant shifts in the political parties.

The local government, which this Wednesday began its term as a barometer of Protestant opinion, the early signs point to the increasing popularity of the Rev. Ian Paisley, and the Democratic Unionist Party, and the possibility of a new centre bloc around the Unionist Party.

The climbdown has been described as a catalyst. Mr. Paisley, leader of the Social Democratic and Labour Party, stated yesterday in a BBC radio interview that the isolation of Mr. Paisley paved the way for his party to take on a new constitutional position.

Mr. Paisley, the Northern Ireland Secretary, has already said that he would welcome the possibility of a new centre bloc around the Unionist Party.

He said that he had done much to engender a new relationship between the police and the community, and that the U.K. Government, if of vital importance, in respect of the SDLP's refusal to support the police has been a major stumbling block at inter-party negotiations.

He also paid an unexpected tribute to Mr. Mason, who showed himself to be "a person who would not be bullied." Mr. Paisley stated, in the past he had been a fierce critic of the Northern Ireland Secretary.

Although the strike leaders called for the stoppage on Saturday morning, the security forces have remained on the alert for further violence from Protestant extremists, as well as for any Provisional IRA attempts to maintain the crisis.

The strike could have succeeded, but it would have triggered violence. "We could have started a civil war without any trouble whatsoever," he commented.

The dis-union of the United Ulster Unionist Coalition, the three-year-old grouping that disbanded ten days ago in order to elect Mr. Paisley from its ranks, was left the various Loyalist Groupings in a state of flux.

Mr. William Craig, the Vanguard Unionist leader expelled from the UUGU 18 months ago, has said that he detects a strong desire among moderate Unionists to merge into a single bloc.

Right to strike for post staff

BY NICK GARNETT, LABOUR STAFF IN Bournemouth

THE GOVERNMENT intends to introduce legislation which would restore to post office workers the right to carry out industrial action in union representation. Post Office workers have been told that they will not be allowed to remain.

If the freedom of trade unionists had been left solely to judges, there would have been few freedoms left, he argued. But he was casting no aspersions on any particular judge or legal decision.

Mr. Jackson, who also referred to the Government's intention to introduce legislation to strip CPW the right to strike, said: "Workers without the right to strike are akin to slaves."

In a wide-ranging speech, Mr. Foot argued that an incomes policy that did not provide safeguards for the low paid was doomed to failure.

And Mr. Jackson, whose executive is seeking qualified support for another phase of wage restraint, said it was the duty of the CPW to support the Government. The alternative to the Labour Party would be a "substantially unalterable, absolutely unthinkable."

U.K. may make only one more drawing on standby

BY SAMUEL BRITTON

THE BRITISH Government is expected to draw a further £200m. or £400m. from the IMF around the end of this month. This will be on top of the £1.2bn. already drawn at the beginning of this year.

But in view of the lagging of the balance of payments, the authorities are seriously considering whether to abandon the further drawings of £300m. or £400m. available in the event of an IMF loan at the end of the year. It is this possibility that

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OVERSEAS NEWS

Run-up to Israel election sees Likud gain ground

BY RICHARD JOHNS, MIDDLE EAST EDITOR

TEL AVIV, May 15.

THE RIGHT wing Likud opposition has been fast closing the gap with the Labour alignment in the run-up to the Israeli general election on Tuesday.

Concentrating on its claim to be the only party capable of dealing with the U.S. and on the undeniable Likud intrusiveness on the question of renouncing territory on the West Bank.

President Carter's decision to treat Israel as a nation eligible for advanced technology in weapon supplies and co-production rights has been welcomed with relief by the Israeli Government.

More overseas news Page 25

Both supporters of the alignment and other analysts are convinced that its prospects have been damaged by President Carter's "open mouthed" diplomacy in his meetings with Arab leaders.

belatedly trying to rectify the damage done to the candidate favoured by it.

It concludes that the Socialist grouping which has been predominant in Government throughout Israel's history, might expect 44 seats in the 120 member Knesset.

U.S. plan for Mideast

BY IHSAN HIJAZI

BEIRUT, May 15.

A LEBANESE newspaper said today President Carter is formulating a plan for a Middle East settlement which will offer to the parties concerned once his contacts are completed.

There would also be a mutual declaration by Israel and the Palestinians: the PLO would recognise Israel's right to exist while the Israelis would recognise the right of the Palestinians to a homeland, the paper said.

TEL AVIV, May 15. THE FACT that Israel has developed a low-profile, rear entrance tank of her own design was acknowledged officially here for the first time this week-end.

Mr. Carter has met President Assad of Syria, President Sadat of Egypt and King Hussein of Jordan. He is due to meet Saudi Crown Prince Fahd in Washington on May 24 and the Israeli Prime Minister after Tuesday's election and the appointment of a new cabinet.

The Palestinian State which might emerge eventually would recognise "secure boundaries" for Israel and promise not to resort to force against it, it adds.

Speaking on Israeli radio, the Defence Minister, Mr. Shimon Peres, referred to it when he commented on the arrival of Israeli experts from the U.S. both in the form of direct shipments and arms, and of components for Israel's own military industries.

At Nahar, in its weekly international edition, says President Carter considers a settlement must start with an Israeli declaration of intent to withdraw from Arab territory occupied since 1967, "with minor readjustments."

The reported American programme includes demilitarised zones between the Arab States and Israel to be manned by United Nations forces. Electronic alarm systems could be set up in sensitive areas, the paper says, adding that the U.S. and Soviet Union will guarantee the peace in co-ordination with Britain and France.

The tank—reports on which have appeared from time to time in the foreign Press—was said to be powered by a U.S.-made 900 HP engine produced by Teledyne Continental Motors. It weighs 56 tonnes (against 52 tonnes for the Centurion and 35 tonnes for the Russian T-55) and its armament is given as a 105 mm cannon, a load of 62 shells. The four-man crew can seal off the inner part of the tank in the event of a gas attack. The armour of the front-engine "Merkaiva," as the tank is known, is said to be impervious to ballistic shells in use to-day.

This, according to the report, would open the way for concrete measures: Israel would withdraw in stages, with the Arabs making a new step for permanent peace at the completion of each stage.

Qatar says no oil price rise

QATAR has joined Kuwait in denying a report that 11 major oil producing countries had decided against implementing a planned five per cent price rise, Renter reports from Dubai.

Clashes continue as Pakistan Opposition rejects referendum

BY OUR OWN CORRESPONDENT

ISLAMABAD, May 15.

Officials close to oil minister Sheikh Abdol Aziz his Khalifa al Thani said no such decision had been taken and no agreement reached.

Violent demonstrations continued unabated in several cities in Pakistan despite Mr. Bhutto's announcement that he will hold a referendum to decide whether he should continue as Prime Minister.

But it is risky to speculate what the nation may have to suffer before reaching the stage of referendum. The Federal Finance Minister, Mr. Pirzada, warning the Opposition in a National Assembly speech yesterday, said it had, during the past two months, tried to damage 245 branches of various banks, paralysed the Karachi port and the Pakistan International Airlines, called for non-payment of taxes and travel without ticket, and circulated currency notes stamped with anti-national slogans.

An authoritative weekly magazine, the Middle East Economic Survey, reported last Friday that the decision by 11 members of the Organisation of Petroleum Exporting Countries (OPEC) would be formally announced on May 28. The magazine said the move not to impose the increase planned for July 1 was led by Venezuela.

The Opposition Pakistan National Alliance has denounced the proposed referendum as "unethical and absurd." Pir Pagaro, acting president of the Alliance, last night bitterly criticised Mr. Bhutto and his proposed referendum. He said that the Opposition will continue to hold the other senior PNA leaders are in detention.

Opposition agitation began immediately after the March general elections which the Opposition alleged were rigged. Tax collection, both at Federal and provincial levels, has since been reduced to less than 20 per cent of industrial production, in the public and private sectors has dropped drastically. More than 260 have been killed and more than 40,000 jailed during the crisis which, according to Mr. Bhutto, was aggravated by foreign intervention. Hooding Pakistan with dollars. Pir Pagaro yesterday pledged to the nation to "undo the wrong" which he claimed had been committed by Mr. Bhutto. He denied that there has been any foreign intervention on the side of the Opposition or that there has been any such polarisation in the country as claimed by Mr. Bhutto.

West Bank students protest

High school students in the Israeli-occupied West Bank town of Nabliis built barricades of burning tyres in the main square yesterday and set off passing Israeli vehicles in protest against the 29th anniversary of Israel's Statehood, Renter reports from Ramallah.

Witnesses said extra security measures were taken throughout the West Bank area as high school students demonstrated and merchants joined in a scheduled day-long strike. Seabeds and shops were reported to be closed in Nabliis and Jenin, although merchants in Jenin started to reopen as border police moved in to disperse the demonstrators.

Fish protest expected at EEC Council meeting

BY ROBIN REEVES

BRUSSELS, May 15.

Ethiopians held

The Ethiopian Charge d'Affairs was summoned to the Ministry of Foreign Affairs in Khartoum yesterday to learn of the forced landing of two Ethiopian planes yesterday on Sudanese territory, our Khartoum correspondent reports. The helicopters, an Antonov 2 and a Masters 23 landed at Pibor in southern Sudan, 100 miles inside the country. Those aboard six Ethiopians and two Poles are believed to be still in Sudan.

SCOTTISH fishermen, French wine growers and British pig producers are all due to mount demonstrations as a two-day EEC Council of Ministers meeting which opens here to-morrow, presided over by Mr. John Silkin, the U.K. Minister of Agriculture and Fisheries.

On fish, the Council itself is due specifically to discuss an extension of the ban on herring fishing in the North Sea beyond the end of this month. This is widely felt to be essential if the North Sea herring fishery is not to be exhausted completely.

The presence of the two Poles on the Ethiopian aircraft lands created an allegation made by Osman Saleh Sahbe, the outspoken leader of an Eritrean splinter group, who told the Lebanese weekly "Al-Nawath" that "the British and French producers will be drawing attention to their depressed prices for pig meat and wine respectively, and

particularly the competition they are suffering from imports from other EEC member states, as a result of the green currency import subsidiary arrangements. On fish, the Council itself is due specifically to discuss an extension of the ban on herring fishing in the North Sea beyond the end of this month. This is widely felt to be essential if the North Sea herring fishery is not to be exhausted completely.

But the Dutch and Danish Governments are resisting a complete ban as unnecessary (the British and Irish are accused of wanting herring to die of old age), though they have softened their original position and would evidently now be content with a small quota.

COMPANY NOTICES

B.I.R.D.

7 1/2% 1972-1987 Loan of FF. 150,000,000 FF. 7,500,000 of the issue due for redemption on 15th June 1977 has been repurchased in the Market. The amount of the issue outstanding after 15th June 1977 will be FF. 142,500,000. Date of Publication: 16th May 1977

S.N.C.F.

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NOTICE IS HEREBY GIVEN that the Registrar of Companies and Transfer Agents of the Company will close on Friday 27th May 1977, for one day only for the purpose of the payment of the dividend on 15th June 1977. Transfers must be made by 12.00 noon on 27th May 1977.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division. In the Matter of HILLGATE FINANCE COMPANY LIMITED and in the Matter of the Companies Act 1947. NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company was presented to the Court on the 18th day of May 1977, presented to the said Court by THE ATTORNEY GENERAL.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on the petitioner by post in the above-named notice in writs of his intention to do so. The notice must state the name and address of the firm and must be signed by the person or firm, or his or their solicitor, if any, and must be served on the petitioner by post by 4.00 pm on the 17th day of June 1977.

STURTON LYNN & LAWSON, 25 Portland Place, London, W.1N 4AB. Ref: CL.F. Tel: 61-80-335. Solicitors for the Petitioner.

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Carter move on corporate taxes

BY DAVID BELL

WASHINGTON, May 15.

THE Carter Administration is likely to propose an end of the double taxation of corporate earnings as part of its major tax reform plan now being worked out, Senator Russell Long, chairman of the Senate Finance Committee, said this week-end.

Senator Long, who was speaking at the Hot Springs meeting of the Business Council, said that the Administration wanted to end the existing situation in which companies now pay taxes on their profits and shareholders then also pay tax on the dividends they receive. He said that he expected that Mr. Carter would propose instead that shareholders

should get a tax credit against the tax already paid on their dividends by corporations. But Senator Long said that the Administration was also working on a scheme to abolish some tax advantages for business income, including the abolition of the expense account lunch and he said that other measures are also under consideration.

Meanwhile, Mr. Jerry Jansowski, an assistant Secretary of Commerce, told the Council meeting that the administration is working on a new scheme to stimulate private investment over the next four years. He said that it is thinking in terms of a target of a 10 per cent increase in real terms over the next four years but conceded that this might be a little "ambitious."

The members of the Council which ended its two day meeting last night, were reported to be in broad agreement that the U.S. economy would continue what one called a "sound growth path" until well into 1978. But they gave the Carter administration a mixed reception with some members praising the decision to withdraw the \$50 a person tax rebate proposals but with others saying that the administration has yet to work out a coherent strategy in its relationship with industry.

spread suspicions that he and M. Chirac were trying to lure the Party into the Gaullist web. Yet another prop within the Government. This manoeuvre has been followed by M. Servan-Schreiber's substantial victory of 465 votes against M. Faure's 240. But M. Servan-Schreiber in spite of the general support he has given the President of the Republic over the past two years has lately voiced strong misgivings about the Government's policies.

Servan-Schreiber wins poll

BY OUR OWN CORRESPONDENT

PARIS, May 15.

M. JEAN-JACQUES Servan-Schreiber the millionaire publisher and one of France's most unpredictable political figures, was today elected President of the Radical Party, a member of the Government of M. Servan-Schreiber had to overcome a strong challenge from M. Edgar Faure, a former Prime Minister, and currently President of the National Assembly, who decided to run for the leadership of the Radical

Party at the last moment in spite of his strong Gaullist leanings. Though M. Faure began his political career in the Radical Party after the second world war, he later served as a Minister both under General de Gaulle and President Pompidou and is a close friend of the present Gaullist leader, Jacques Chirac.

His sudden reconversion to Radicalism and his bid for the Party's Presidency aroused wide-

Zaire predicts Shaba war near an end

BY OUR OWN CORRESPONDENT

KAISAJI, ZAIRE, May 15.

As Katangese insurgents were reported to be retreating behind mines and blown bridges, a Zairean military spokesman announced the Shaba conflict, now in its ninth week of low-key fighting, "virtually over."

Briefing reporters on instructions from President Mobutu Sese Seko, he said the insurgents, who launched their invasion from Angola on March 8, were falling back in the face of a dizzying advance by the Moroccan-supported Zairean Armed Forces (FAZ) offering stout resistance.

But pressed on when exactly he expected to be able to declare total victory, the spokesman would say only that if it were not for the mines and destroyed bridges, he would not

give the rebels more than eight days. The military situation could well turn further against the Katangese who have been in retreat for around three weeks, since they will no longer have the cover of elephant grass and savannah now that the dry season has arrived and devastating bush fires have already started.

On the other hand, the Katangese are falling back into a tight defence line along the Zaire-Angola border, holding a north-south line running from Kapanga through Sandoa, to Dilolo, 75 miles west of here.

Like other towns along the line of the FAZ advance, Kaisaji is a deserted shell, bereft of civilian life save for a small colony of lepers, whom no-one will approach for fear of contamination. Shops on the main boulevard—a palm lined dirt street—are empty, houses are without furniture, and cooking pots are scattered on baked earth.

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THE FINANCIAL TIMES published daily except on public holidays. Subscription price £12.00 per annum in advance. Single copies 5p. Postage paid by News International Ltd. at London, N.Y.

DFs 30,000,000.— 6 1/2% Bearer Notes 1972 due 1976/1979 of THE COUNCIL OF EUROPE RESETTLEMENT FUND FOR NATIONAL REFUGEES AND OVER-POPULATION IN EUROPE. Strasbourg (Headoffice: 55, avenue Kléber, 67084 Paris Cedex 16) Second annual redemption instalment (Redemption Group No. 2 fall due on June 15, 1976) As provided in the Terms and Conditions Redemption Group No. 4, amounting to DFs 7,500,000.— has been drawn for redemption on June 15, 1977 and consequently the Note which bears number 4 and all Notes bearing a number which is a multiple of 4, are payable as from June 15, 1977 at Algemene Bank Nederland N.V. (Central Paying Agent) Pierson, Holding & Pierson N.V. Amsterdam-Rotterdam Bank N.V. Bank Maas & Hope NV in Amsterdam; Banque Bruxelles Lambert S.A. in Brussels; Banque Internationale à Luxembourg, S.A. in Luxembourg; Algemene Bank Nederland (Genève) S.A. in Geneva; Algemene Bank Nederland in der Schweiz AG in Zurich. April 28, 1977

NESTLE S.A., CHAM AND VEVEY, SWITZERLAND formerly NESTLE ALIMENTANA S.A. Change of the Company's name. At the General Meeting of 12th May 1977 it was decided to change the name of the Company from Nestlé Alimentana S.A. to Nestlé S.A. As from 16th May 1977 the Swiss Stock Exchanges will quote the twin shares Nestlé Alimentana S.A./Unilac, Inc. under the name "Nestlé S.A./Unilac, Inc." It is not foreseen to reprint new share certificates or to overprint the old shares with the new name of the Company. The security numbers remain unchanged. Payment of dividend coupons. Notice is given to shareholders that following a resolution passed at a General Meeting of shareholders held on 12th May 1977, a dividend for the year 1976 will be paid to them as from 16th May 1977, as follows: per share Frs. 72.— less Swiss federal withholding tax of 35% Frs. 25.20 or net Frs. 46.80 against delivery of coupon No. 20. This amount is payable in Swiss francs. Paying Agents outside Switzerland will pay in the currency of the country in which the coupons are presented, at the rate of exchange on the day of presentation. Coupon No. 20 may be presented as from 16th May 1977, to the following Paying Agents of the Company: In Switzerland: Swiss Credit Bank, Zurich, and its branches; Swiss Bank Corporation, Basle, and its branches; Union Bank of Switzerland, Zurich, and its branches; Banque Populaire Suisse, Berne, and its branches; Banque Cantonale Vaudoise, Lausanne, and its branches and agencies; Banque Cantonale de Zurich, Zurich, and its branches; Banque Cantonale de Berne, Berne, and its branches; Banque Cantonale Zouglose, Zoug, and its branches; Banque de l'Etat de Fribourg, Fribourg, and its agencies; Dardier & Cie, Geneva; Lombard Odier & Cie, Geneva; Pictet & Cie, Geneva; Handelsbank N.M.V., Zurich; Bank Leo Ltd., Zurich and its branches. In England: Swiss Bank Corporation, London In the United States of America: Morgan Guaranty Trust Company of New York, New York; Swiss Credit Bank, New York; Swiss Bank Corporation, New York. In France: Crédit Commercial de France, Paris; Banque de Paris et des Pays-Bas, Paris. In Germany: Dresdner Bank A.G., Frankfurt/Main and Düsseldorf. In Holland: Pierson, Holding & Pierson, Amsterdam. In Austria: Girozentrale und Bank der österreichischen Sparkassen A.G., Vienna. Cham and Vevey, 12th May 1977 The Board of Directors

UNILAC, INC. PANAMA PAYMENT OF A DIVIDEND Notice is given to shareholders that following a resolution passed by the Board of Directors on 2nd May 1977 a dividend for the year 1976 of \$5.50 per common share will be paid to them as from 16th May 1977 upon delivery of coupon No. 20 and this in accordance with the provisions of the Articles of Incorporation. This dividend is payable in U.S. dollars. Paying Agents outside the United States will pay in the currency of the country in which the coupons are presented, at the rate of exchange on the day of presentation. Coupon No. 20 may be presented as from 16th May 1977, to the following Paying Agents of the Company: In Panama City: Panama City, 12th May 1977 The Board of Directors

TRAVEL This traditional hotel in Zurich's famous Bahnhofstrasse is the ideal venue for the business man. You meet Zurich's City in the comfortable lounge or in the exclusive restaurant. Each guest room has its individual decor. CARLTON ELITE HOTEL Bahnhofstrasse 41, 8001 Zurich Tel. 0121 64 36

100/100 15/20

U.K. clothing industry to strengthen Euro council

BY RHYS DAVID

THE NEW representative body clothing to Britain, the Clothing Industry Joint Council, is expected to approve an emergency action this week aimed at ensuring that the U.K. continues to be represented at important European discussions covering the sector.

The Council, which was formed after this year, is expected to see at a meeting in Leeds to discuss its future. The Clothing Industry Council for Europe (CICE) which has been facing a possible winding-up, is expected to meet in Leeds to discuss its future.

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needed to keep CICE in membership after the end of this year. CICE's possible demise, at a time when important negotiations on textiles and clothing are being conducted by the EEC, is known however to have been a cause of considerable concern to the Government.

Under a proposal, which will be put forward in Leeds by Mr. Norman Sussman, the CICE chairman, CICE will become one of its committees. A cash injection of £2,500 has been raised to continue its support of CICE while remaining outside the new joint council.

Speaking at the Clothing Manufacturers' Federation annual conference in Bournemouth at the week-end, Mr. Sussman said a stay of execution for CICE had been achieved giving a year in which to sort out problems at European level.

Third world fails to agree joint MFA stand

By Philip Bowring

HONG KONG, May 15.

A WEEK long seminar of textile trade officials from a number of developing countries which export textiles ended here on Friday. The seminar, sponsored by the Commonwealth Secretariat but including non-Commonwealth countries such as Thailand and South Korea, discussed major issues involved in the registration of the Multi-Fibre Textile Agreement (MFA).

The talks were described as being "frank and cordial" and allowed participants to get a better idea of their respective stances in the Geneva negotiations. But clearly there was no unanimity on the stand the developing nations should take, notably in the face of EEC demands for major changes in the agreement which expires at the end of this year.

VIDEO-TAPE RECORDERS

Battle lines are drawn

BY CHARLES SMITH, FAR EAST EDITOR

LAST WEEK Matsushita Electric announced its definitive entry to the video-tape recorder (VTR) market in Japan with its decision to market a new home-use VTR system. This means that all the main contenders in the VTR market have now declared their positions.

Apart from Matsushita's new NV 8800 unit using a two-head play back system, which will sell for ¥286,000 the other main VTRs now being produced are Sony's R-format (also made by Sanyo and Toshiba) which records for up to two hours (like the Matsushita model) and sells for ¥288,000, the cheaper Spoby Betamax which sells for ¥220,000 but plays for only one hour and the Victor HR-3300 which plays for two hours and costs ¥266,000.

use the VHS (Video home recording system) developed by Victor and are interchangeable in most respects including the size of cassette.

Sony is manufacturing its own cassettes for the Betamax series. Both Sony and Matsushita and Victor agree that standardisation of VTR is inevitable sooner or later but each side is adamant that its own system is the one which must be standardised. The

able for a 10 per cent. deposit followed by monthly payments of around ¥5,000 (about £10) which will bring them well within the range of ordinary people. Matsushita expects its customers to include taxi drivers and other night workers who will use VTR to record favourite television programmes which they will not be able to watch "live" during peak viewing times. Most of the sets now coming on to the market include automatic timers which can be used to start the recorder while the owner is away from home.

A vital factor in the struggle between Matsushita and Sony for VTR supremacy will be who comes off best in the U.S. Sony is already exporting actively to the U.S. and is licensing Zenith, the biggest American TV producer, to make its Betamax series. Matsushita will be starting OEM supplies of its VHS system recorder to RCA this autumn.

Danes to compete on ship credits

By Hilary Barnes

COPENHAGEN, May 15. THE DANISH GOVERNMENT is prepared to provide shipyards with credit facilities to match those of competing foreign yards, according to Trade Minister Ivar Noergaard.

He said that if a yard could demonstrate that it was in danger of losing an order because foreign yards could offer better credit terms, he had instructed the Central Bank to ensure that the Danish yard could match the terms being offered by its competitors.

So far Denmark has not subsidised its shipyards in any way other than to provide credit facilities, which are in line with arrangements approved by the OECD. Mr. Noergaard said there was no intention to introduce a general change in these facilities. The matching of credit terms with foreign yards would not apply to orders placed by Danish shipping companies, he said.

Decision soon on Austro-Porsche

BY PAUL LENDVAY

VIENNA, May 15.

THE CONTROVERSIAL project of erecting a major car production plant in Austria in co-operation with the German Porsche Company has entered a decisive phase with Austrian Chancellor Dr. Bruno Kreisky reportedly joining the advocates of the project.

After a recent summit meeting with leading German business trade union functionaries and the directors general of AG the holding company for nationalised industries and Porsche AG, the chancellor was said to have given the go-ahead provided the problems of finance and marketing are resolved satisfactorily. According to Franz Geist, Director general of OIAG, initiator of the so-called Austro-Porsche project, investment costs could be between 1.4.2bn (about £130m.) and 1.6bn, depending on whether motors and gears are imported from Austria.

The company would have a 40 per cent. stake in Sch.2bn. The project, planned to go on stream in 1982-83, would turn out about 50,000 units a year. The top market car, costing at present prices some Sch.160,000, would be primarily sold abroad with Austria providing a market for only 7,000 to 9,000 units. According to a feasibility study compiled by the prospective German partner, the U.S. market could absorb some 20,000 West German cars, Switzerland 2,500 and Japan and France each some 2,000 Austro-Porsche cars per annum.

for 7,000 to 88,000 people and bring directly or indirectly foreign exchange savings to the tune of Sch.2.9bn. to Sch.3bn. annually. According to a recent statement by Chancellor Kreisky, decision in one way or another will be taken before the summer recess.

In the opinion of Dr. Geist, OIAG (the nationalised sector) would be satisfied with only a minority interest while Porsche could hold about 13 per cent. with the rest divided among various foreign partners. Dr. Geist said that already five foreign companies had expressed interest in the project and talks about future marketing arrangements are in progress with the Volkswagen company.

The advocates of the project argue that it could provide jobs

Weldit UAE venture

FINANCIAL TIMES REPORTER

WELDIT ENGINEERING of Doha, is involved in setting up a "multi million pound company" in the United Arab Emirates called the National Emirates Fabrication Company (NEFCO)—and registered in Um Al Quwain.

Weldit has been selected the contractor for the development and operation of a new organisation. NEFCO's main objective is to develop a "specialist and specialist increasing facility to service the oil and gas industries in the Middle East.

There will be a planned capital development scheme over the next three years and Weldit's brief is to establish NEFCO in this expanding market as an efficient oil rig fabricator in an area where competition is developing fast. The Weldit group is already established in the oil industry and during the past few years has processed some 50,000 tonnes of steel pipe, jacket, decks and other structures directly for the major oil companies.

EEC biscuit tax threat

FINANCIAL TIMES REPORTER

A 10 per cent. drop in biscuit duties—following the imposition of this week of Common Market Monetary Compensation Quotas (MCA's) was forecast by Mr. Bill Bowman, chairman of the Cake and Biscuit Alliance.

The MCA's, to be levied on the EEC on British biscuits, exports to all countries, as a "discouraging" export tax, Mr. Bowman, speaking at the Alliance's annual meeting in Bournemouth, said it would add between 3 per cent. and 10 per cent. to export prices. He warned that other EEC countries that MCA's would not benefit the EEC's balance of trade generally or the U.K. economy.

Britain last year exported biscuits to the value of £55.8m., a 45 per cent. up on 1975, and the industry's stated target—now Mr. Bowman said, jeopardised by MCA's—is a further 50 per cent. increase in the next five years.

Contracts

Japco had signed long-term contracts to supply metallurgical coal to two Japanese steelmakers. The products division of the company says should use more than \$400m. in the next 12 years. The contracts are with Nippon Steel and Steel and call for delivery of up to 700,000 tons of high-quality metallurgical coal a year from mid-1978.

irelli has won a 1.6bn. contract from the Italian contractor for the new port of Bandar-e-Abbas in Iran—Societa Condotta. It involves supplying more than 20,000 tyres for trucks, earth moving machines, and a plant at the new port. It will also provide technical assistance.

Archer-Greene has received a contract to supply aggregate, crushing, screening and lift trucks worth over £400,000 for handling equipment to iron Fabrikken Heden Uludun of Congo for Brazil for use in the construction of the Tucuruí project, on the Amazon river. Initial delivery with its French agents, Etablissement Debord, for a 1977-78 contract. The project is to be installed in the mouth of the Amazon river. The contract is for a 1.5bn. complete face equipment for a mine in the bar. Dowry and Anderson Canadian Government to build a hydroelectric power station on the equipment and train the mining teams in Edward Island.

World Economic Indicators

RETAIL PRICES				
	April '77	Mar. '77	Feb. '77	Index 1974=100
Germany	143.9	143.2	142.9	138.9
France	181.4	178.4	176.9	169.8
Italy	178.2	177.1	175.3	167.5
Japan	164.12	164.27	164.2	152.87
UK	177.1	175.5	174.3	162.4
USA	175.8	174.1	172.4	150.4
Canada	115.3	114.7	113.6	105.6
Australia	222.8	218.6	218.8	204.4



GAS-THE FUEL IN THEIR FUTURE.

Were lucky in Britain, we have vast reserves of natural gas in the North Sea—enough to supply our essential needs for decades to come.

Natural gas has already brought great benefits to Britain. It saves us thousands of millions of pounds each year on our balance of payments. It supplies a quarter of all the heat our industries need. And over 13 million customers already use this clean, controllable and economical fuel to heat their homes and cook their meals.

But the best is yet to come. Because, as more gas becomes available, the benefits will continue to grow. Natural gas is a vital resource for Britain—and fortunately an abundant one. But it's much too good to waste.

Provided we continue to use it wisely, natural gas will continue to serve our children for decades to come.

GREAT GAS  **FOR GREAT BRITAIN!**

BRITISH GAS

LABOUR NEWS

Rejection of pay curbs 'would shatter confidence'

By ALAN PIKE, LABOUR STAFF

REJECTION of the social contract would risk shattering the world's confidence in Britain's ability to win through its economic difficulties, Mr. Ron Hayward, general secretary of the Labour Party, said yesterday.

This loss of confidence would send the pound plummeting and inflation rearing up again, he told the annual meeting of the party's northern regional council at Whitley Bay.

The meeting narrowly defeated a resolution calling for support for the social contract to be withdrawn unless legal powers were taken to control wages. A second resolution calling for present restrictions on wages to be replaced by a more flexible policy was carried on a cord vote by 236,000 to 182,000.

Mr. Hayward said that Labour must be kept in power to curb inflation, regenerate industry and shorten the dole queue. The social contract could not be torn up just because the prosperity for which it was paving the way had not arrived as quickly as had been hoped.

As Mr. Hayward spoke, the executive of the 21,000-strong National Union of General Workers' Union voted 14-4 against any further wage restraint and called for a return to free collective bargaining.

This came after meetings of the union's members around the country to discuss continuation of incomes policy.

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Hansard printing dispute may be extended

By ALAN PIKE, LABOUR STAFF

LEADERS of the National Graphical Association will consider this week extending a dispute which is disrupting production of Parliamentary papers, including Hansard, to other members engaged on Government printing work.

All members of the union and the National Society of Operative Printers, Graphical and Media Personnel working for St. Stephen's Parliamentary Press have been idle for more than a week after the suspension of two men—also from each union—during a dispute over overtime arrangements. The dispute centres around the use of suspension, a sanction which neither union recognises, by the management of Her Majesty's Stationery Office.

The association's council will discuss ways of stepping up the action after the failure of union officials on Friday to persuade the stationery office to lift the use of suspension pending a meeting at national level.

It is expected that the association council will consider involving both members of other stationery office printing works who produce items such as telephone directories, and those of private printers doing contract work for the Government.

The dispute is being aggravated by the presence in the basement of the Palace of Westminster of photo-copying equipment installed after previous disputes at St. Stephen's Press had disrupted the supply of Parliamentary papers. Association leaders are seeking the assistance of the TUC and Civil Service unions to try to prevent their use during the dispute.

Young jobs warning

By Our Labour Staff

THE RESULTS of the limited school leaving age of 15 for young people who are unable to find work is "with us for decades," David Bennett, general secretary of the General and Municipal Workers' Union, warned yesterday.

It was imperative that overall plan to combat unemployment should be based on a massive increase made in the Job Creation programme, but based on long-term employment.

Also, substantially more time training must be linked to an effective system of manning, to ensure that training was completed. An almost record number of school-leavers would be seeking jobs for the first time. "The number of jobs on offer is still shrinking and we know even if young workers do get jobs, they are the first when things get tough."

USDAW warns on Burton cuts

By ALAN PIKE, LABOUR STAFF

ANY FURTHER cuts in the number of Burton menswear shops beyond 57 closures already announced will be resisted "most strenuously," the Union of Shop, Distributive and Allied Workers warned yesterday.

The union has negotiated a £400,000 redundancy package, containing an early retirement and transfer scheme, to help younger managers at the 57 shops which are to close.

To-morrow USDAW and the company will hold another meeting to work out details of a second phase of the scheme covering non-managerial grades.

Mr. John Flood, the union's national fashion trade officer, warned that any further shop closures would be regarded by both staff and public as a sign that the company was abandoning its role as a national retail chain.

Health cuts 'hurt public'

By ALAN PIKE, LABOUR STAFF

THE TUC and public must wake up to the fact that health service cuts represent an "insensitive and ruthless attack on the social wage," Mr. Chris Easterling, an assistant secretary of the Society of Civil and Public Servants, said yesterday.

Mr. Easterling, addressing the Department of Health and Social Security sectional conference of the union in Southampton, deplored the lack of public and Parliamentary debate on expenditure cuts in the department even though they represented a "massive attack" on the social security system.

Cutting administrative expenditure without hurting the public was not possible, he said. There was "no way in which the Government could find politically acceptable means of achieving its targets in the department and it was time this was accepted."

COMPANY NOTICES

BANK OF NEW SOUTH WALES

(Incorporated in Australia with limited liability)

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 7% (74 cents per share Australian Currency) for the half year ending March 31, 1977 has been declared by the Board of Directors as provided by Clause 106 of the Deed of Settlement and will be payable on Thursday July 14, 1977. London Register books will close for dividend purposes from Thursday June 16, 1977 to Thursday June 23, 1977 (inclusive).

By order of The Board of Directors R. J. White Chief General Manager Bank of New South Wales, LONDON. May 13, 1977.

Bank of New South Wales

(Incorporated in Australia with limited liability)

PRELIMINARY STATEMENT OF PROFITS

The Bank of New South Wales announced today the following Statement of Consolidated Profits for the half-year ended 31 March, 1977, based on unaudited figures:

	Half-year 1977	Half-year 1976
	(£m)	(£m)
Income (after deducting interest paid and transfers to contingencies including provision for bad and doubtful debts)	294,038	240,000
Less:		
Expenses	213,877	180,100
Depreciation	8,369	7,200
Operating profit before taxes	71,792	52,690
Less income, land and other taxes	35,810	26,400
Operating profit	35,982	26,290
Less minority interests of outside shareholders in subsidiary companies	8,935	5,800
Operating profit attributable to Proprietors of Bank of N.S.W.	27,047	19,490

The above figures exclude the following extraordinary items surplus on disposal of premises and other capital profits: Adjustment for exchange fluctuations 455; Consolidated operating profit includes banking and wholly owned subsidiaries contribution 615.

A.G.C. Ltd.—share of profits: 17,123 (1977), 9,924 (1976), 27,047 (1976).

In the second half, with some seasonal tightness due to its tax flow, cost of money is likely to be higher and trading profits will bear the effect of the present high level of statutory reserve deposit in Australia raised to 10 per cent from 21.277.

Consolidated results for the year as a whole are not expected to show the same rate of increase as for the first half.

The Board today declared an interim dividend of 7.0 per cent being 14c per share payable on 14th July, 1977. Books will close for determination of dividend entitlement at 5 p.m. on 16th July 1977.

In conformity with the Government price and incomes freeze the interim dividend has been held to the rate paid in the last period last year.

Last year's dividend was made up 7.0 per cent interim and 7.5 per cent final.

Is your share registration costing you too much?

If you want to cut the cost of your share registration and be sure of receiving your service, we can give you specialised service. With our computer system we can give you savings of up to 20% and go on keeping your share registration costs down. Changeover costs are minimal too.

We have years of experience in maintaining registers for UK and overseas companies, and can do with everything from daily routine to special requirements such as rights issues and take-over problems.

If you would like more information get in touch with us. We'll be glad to discuss your individual requirements.

Contact Mr. M. Burnett, FCIS or Mr. F. Little, ACIS Central Registration Limited, 1 Redcliff Street, Bristol BS1 6NT. Telephone: Bristol (0272) 282222.



CONTRACTS AND TENDERS

Arab Satellite Communication Organization
Riyadh
Kingdom of Saudi Arabia

TENDER NO. 1

"TELECOMMUNICATION CONSULTANCY SERVICES"

The Arab Satellite Communication Organization wishes to establish a Regional Satellite Telecommunication System and invites competent entities for the above-mentioned Tender. The Consultancy services shall be on a retained basis for a period of five years and will cover all implementation stages comprising:

- Survey of Arab countries, present and near future, need of voice record, and programme channels.
- Converting the survey into transponders and satellite numbers.
- Designing of both space and ground segments.
- Participating in bids evaluation and negotiations.
- Supervising the manufacturing, as well as construction and testing stages.
- Rendering other services such as advising on training, operation and maintenance, and tariffs, etc.

Only Tenders received from Consultants with previous actual experience in similar projects will be considered. Tenders may be obtained after May 1st 1977 from the following office upon payment of a sum of U.S. \$250.

Arab Satellite Communication Organization Riyadh, Kingdom of Saudi Arabia.

- The closing date of the Tender is 12 hours (noon) 1st August 1977
- Bids must be enclosed in two separate envelopes.

A.—The first shall contain the Technical and Qualification Offer.

B.—The second shall contain the Financial Offer.

Both shall be clearly marked. The second envelope will only be opened if the Bidder is found technically qualified for consideration.

Bid Bond in cash or Bank Guarantee from an approved Saudi Arabian Bank of U.S. \$25,000 for a period of 6 months shall be received with each bid not later than the closing date.

Offers not complying with the above Tender instructions will be ignored.

All correspondence should be addressed to:

Dr. Ibrahim Obaid
Chairman of the Board of Directors
Arab Satellite Communication Organization
Riyadh
Telex 20020 Gentel Riyadh

NIGERIAN PORTS AUTHORITY
TENDER FOR MAINTENANCE DREDGING OF NIGERIAN WATERS

Tenders are invited from suitably qualified Dredging Contractors for the Maintenance Dredging of the following Nigerian Harbours, approaches, channels and rivers.

- (a) Lagos.
- (b) Delta Area, consisting of:
 - (i) Escravos River Entrance
 - (ii) Escravos River
 - (iii) Port of Warri and approaches
 - (iv) Port of Sapele and approaches
 - (v) Port of Burutu and approaches
- (c) Bonny and River consisting of:
 - (i) Bonny Bar Channel and side sloper
 - (ii) Bonny River from Bonny to Port Harcourt
 - (iii) Onne Port Channel when completed.
- (d) THE HARBOUR and approaches to Calabar and extending to the New Port.

2. Particular attention is drawn to the Deepner Rocks in the Bonny River. Most areas have been previously dredged hence the present proposed dredging of them is necessitated by siltation.

3. Full details of areas to be dredged, estimated quantities of spoil to be removed and charts of the areas are obtainable from the Chief Harbour Master at the cost of N2.00 per copy.

4. Official Tender Forms are obtainable from the Chief Harbour Master, Nigerian Ports Authority, 26-28 Marina, Private Mail Bag 12588, Lagos, after the payment of a non-refundable deposit of N200.00 to the Authority's Cashier, Accounts Department, Apapa Quay. Tender forms are also obtainable from the Nigerian Ports Authority's Representative, Manfield House, 3rd Floor, Room 34-37, 376-379 Strand, London, W.C.2, after the payment of the equivalent of N200.00.

5. The period of the contract for the Maintenance Dredging proposed will be for two years.

6. Completed Tender Forms must be submitted in sealed envelopes marked on the upper left hand corner "CONFIDENTIAL TENDER FOR THE MAINTENANCE DREDGING IN NIGERIAN WATERS" and addressed to:

The Secretary to the Authority,
Nigerian Ports Authority,
26/28 Marina,
Lagos.

Tenders received in any other manner will not be considered.

7. The closing date for submission of Tenders is 17th June, 1977 at 12.00 noon.

8. This tender may be cancelled, withdrawn or altered without any reason given for so doing. Responsibility will not be accepted for any loss or losses incurred by Tenderers in making their tender.

9. The Authority is not bound to accept any tender and will not enter into correspondence with any tenderer not selected.

A. IKE. OKOYE
Secretary to the Authority

N.P.A. NOTICE NO. 3052 dated 13th April, 1977.

TENDER NOTICE
PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY

- The Pakistan Water and Power Development Authority has entered into an agreement with the International Bank for Reconstruction & Development (IBRD) under which it is to receive a loan-IBRD Loan No. 1208-T-Pak, in various currencies equivalent to US Dollars 50 million towards the cost of the 500-kV Lyalpur-Guddu Transmission Line Project.
 - Under this loan the following tenders will be issued for the 500-kV Transmission Line Project on or about the dates shown. The Tenderer should obtain confirmation of dates one week before the dates indicated, from the office mentioned under item 3.
- | Description | Date of Issue |
|---|----------------|
| Contract Documents 941-8 Line Construction Equipment. | April 15, 1977 |
| Contract Documents 941-3 A.C.B. "DRAKE" Conductors and Accessories and Overhead Shield Wire Accessories. | May 2, 1977 |
| Contract Documents 941-9 Overhead Shield Wire. | May 2, 1977 |
| Contract Documents 941-2 Insulators and Hardware. | June 1, 1977 |
| Contract Documents 941-5 Design, Supply, Erection and Commissioning of 220 kV Section of Mitan 500/220 kV Substation. | June 30, 1977 |
- Tenders will be obtained from the office of Project Director, Lyalpur-Guddu 500 kV Transmission Line Project, Water and Power Development Authority, W.P.D.A. House, Lahore, Pakistan, at Rs.300/- or US\$50/- per copy.
 - The following General Conditions shall apply:
 - (i) Tenders will be entertained from those countries only which are members of World Bank and Switzerland.
 - (ii) Tenders will be post qualified on the basis of information to be submitted as described in the Tender Documents.
 - A Tender Guarantee of the value of 5% of Tender Price shall accompany each Tender.

YEMEN ARAB REPUBLIC NATIONAL WATER AND SEWERAGE AUTHORITY

The Government of the Y.A.R. invites tenderers for the manufacture and delivery of cast iron manhole covers and watermeters and fire hydrant assemblies for the water supply and sewerage project of Hodeida.

A credit from the Arab Fund for Economic and Social Development together with a credit from the International Development Association have been approved to finance this project. It is intended that proceeds of these two credits will be applied towards payment under contracts for which this notice is issued.

Bidding for the manhole covers will be open to suppliers from all countries except Israel and those who appear in the Arab boycott list, while bidding for watermeters and fire hydrants will be open to suppliers from countries who are members of the World Bank and Switzerland.

Tender documents will be available in the office of NWSA, P.O. Box No. 104, Sanaa, Y.A.R. and of Messrs. F. H. Kocks, Hood Office, P.O. Box 320448 Duesseldorf, West Germany.

These can be purchased starting from 23rd May, 1977 from either offices after payment of 100 US dollars, this being the cost of tender.

Tenders shall be submitted to the Director General, NWSA, not later than 18th July, 1977, 11 a.m. The opening of same will take place in a public meeting at 12 noon the same day.

The Minerals and Metals Trading Corporation of India Ltd. Post Box 7051, Express Building, Bahadur Shah Zafar Marg, New Delhi-110002. (A Government of India undertaking)

TENDER No. 1/77/FERT.

The Corporation intends to purchase 100,000 tonnes of urea minimum 46% N preferably in bulk for delivery up to December 1977. Offers of bagged urea will also be considered. Interested suppliers may send their offers in U.S. dollars per MT FOBST and C and F basis to Shri V. M. Bhargava, Divisional Manager (Purchases), The Minerals and Metals Trading Corporation of India Ltd., Express Building, New Delhi, so as to reach him by 2.30 p.m. on 15th June, 1977. Copies of tender notice can be had on request from Shri V. M. Bhargava.

D. B. DENIZ NAKLIYATI T.A.S. D. B. TURKISH CARGO LINES

request for expression of interest for purchase of terminal tractors, roll trailers and fork-lifts (lift-trucks).

The Government of Turkey and the Agricultural Bank of Turkey have respectively received a loan/credit and a loan in various currencies equivalent to US Dollars 55,300,000 from the International Bank for Reconstruction and Development (IBRD)/International Development Association (IDA) and (IBRD) respectively. It is intended that parts of the proceeds of these loan/credit and loan will be applied to eligible payments under contract for which this invitation to offer is issued.

Payment will be made only upon approval by the IBRD and IDA in accordance with the terms and conditions of the loan/credit agreement respectively and will be subject in all respects to the terms and conditions of these agreements.

1. Turkish Cargo Lines is interested in purchasing terminal tractors, roll trailers (20' and 40') fork-lifts (lift-trucks), capable to manipulate and tow 20 ft. and 40 ft. containers at the terminal area.

2. Tender specifications can be obtained either from the communication manager at the head office in Istanbul or from representative offices and agents addressed below.

3. All expressions of interest are to be received not later than 17.00 hours on 4th of July, 1977 at the address indicated below in Istanbul.

Head Office: D.B. Turkish Cargo Lines Mecidiyeköy Cad. 93-95-97 Istanbul-Turkey.

Hamburg Representative Office: D.B. Turkish Cargo Lines Mooncokeberg Str. 31 2000 Hamburg 1

New York Representative Office: D.B. Turkish Cargo Lines One World Trade Center Suite 2557 New York, N.Y. 10048

London Agency: Walford Lines Ltd. St. Mary Axe House St. Mary Axe London EC3A 5BB.

Copy to 1250

Building and Civil Engineering

Contracts for Wimpey

GEORGE WIMPEY in Manchester has won two contracts valued at over £1.9m.

The largest is for a traditional using development of 125 two-storey houses for the Metropolitan Borough Council of Cheshire in Kingsway, Altrincham, Middlesex. The work has started and is due for completion in July 1978.

At Barton Dock Road, Stroud, Manchester, a warehouse office is to be built for the firm of Fischer Sales at a cost of £617,000. Work also started on this job and due for completion in February 1978.

In Liverpool Wimpey has three contracts jointly totalling over £1m.

First of these is for the Skelmersdale Development Corporation for the erection of twelve small factories at a value of about £661,000.

At Grimrod Place, Skelmersdale, the factories will be in the form of three groups of attached factories, with a total floor area of 5,400 square metres. Work is scheduled for November, 1977.

Runcorn Development Corporation has awarded a £650,000 contract for nine factory units at Whitehouse Industrial Estate, Aston Road, South Runcorn. The development is in two blocks with a total floor area of 9,400 square metres. Work has started and is to be completed in December, 1977.

The Royal British Legion Housing Association has placed

£3m. awards to Rush and Tompkins

ABOUT £3m. worth of contracts have been won by Rush and Tompkins.

Among the larger jobs is the fitting out of a supermarket at Newmarket at a cost of £875,000 and alterations at Littlewoods, Craydon, store under a £500,000 contract.

In Chapel Street, London, N.W.1, the company is to modernise an office block for the Property Services Agency at a cost of £700,000 and again in London Rush and Tompkins is to erect dwellings for the Napping Hill Housing Trust in Gurbam Place, North Hill for £90,000.

In Watford, Herts., in Sutton Road, the company is to refurbish

high properties for the local council for £90,000.

In Salisbury, a £337,000 contract has been received from Southampton City Council for the construction of Oakwood Middle School, and a 19th century building in the city, previously used as an art college, is to be altered and modernised in a contract valued at £100,000 to provide office accommodation.

In Scotland, the company has been awarded by the Strathclyde Regional Council a £350,000 contract for the erection of a single-storey school.

A new design by Clifford Partitioning Co. with application in all types of office accommodation, especially for refurbishing, and in hospitals, the partition—Simlicity Mk. II—incorporates a new design of timber fabrication for the frame—which has separate fabricated sections joined by a fibreboard link panel.

Cost is considerably lower than normal timber systems, while greater rigidity and improved acoustic properties go with the freedom to use different species of timber for each of the sections to vary the decor in the areas on either side of the partition.

A further characteristic is that it can be used for non-standard heights, with no increase in cost above normal specification and is particularly suitable for hospital interiors.

Fully demountable, the partitioning will take all forms of glazing and infill panels with non-combustible class 0, 1 and 3 finishes. Fire-resistant designs advantages over conventional are at present under development.

Fitting out job at Boots

A £670,000 contract to fit out a new Boots superstore at the Milton Keynes shopping area has been awarded to John Laing Construction. Laing is already constructing the half-mile long shopping centre.

The project is the first fitting out contract to be awarded after the store will be a major unit in the building which will have more than 1m. square feet of gross lettable shopping space when completed at the end of 1978.

An entirely different job for Laing is at the Rising Sun Sewage Works at Whitechurch, Shropshire. The Welsh National Water Development Authority, of Brecon, has awarded the company a £35,000 contract for civil engineering and building work to increase treatment capacity of water from Wych Brook by 35 per cent. from 580,000 gallons a day to 800,000.

The dynamic Group in the building business...

TERRAPIN

Terrapin International Ltd. Reg. A.C., Bletchley, Milton Keynes, MK1 1LJ. Tel. Milton Keynes 106081/2/3/4



the whole of the works is British Smelter Construction.

The civil and building works call for a steel-framed aluminium clad building about 75 metres square, a finished product store, the main office, canteen, and ancillary buildings totalling about 750 square metres, and the associated drainage, roads and external works.

The project is due for completion in May, 1978.

At work in the west

THREE BUILDING contracts in the South-West, together totalling £1.6m, have been awarded in Dudley Coles, a subsidiary of Marples Holdings.

The largest contract, worth £1m, is for a Tesco supermarket in Truro. It will consist of a two-storey block made up of first floor shopping area and a basement/ground floor storage and service facility. The total sales area will be 25,000 square feet. The block will have an integral first floor slab with concrete columns supporting structural steel roof and be finished overall with brick cladding.

The other contracts are in Plymouth. One, worth £620,000, is for a food warehouse and a two-storey office block for the Plymouth and South Devon Co-operative Society and the other for classroom extensions to Lane Comprehensive School. This is worth £220,000.

Many jobs for Tarmac

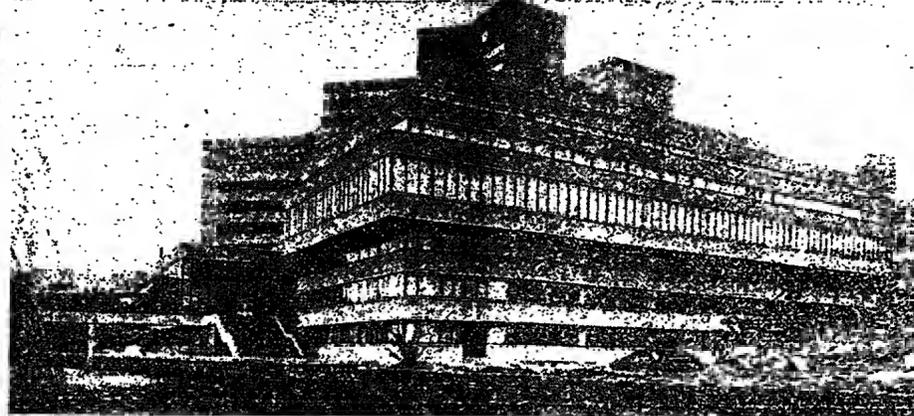
AMONG the latest contracts awarded to Tarmac Construction one involving work in connection with the "hot metal route" from British Steel Corporation's pig iron furnace to the steel-making facility at nearby Tinsley.

This contract is worth more than £1m. Tarmac has already carried out nearly £1m. worth of preparation work. Consulting engineers are Blyth and Blyth, 3, Atkins and Partners.

In County Durham, Tarmac started work on a new 800 metres long concrete access road at Harden Colliery. The job, worth more than £107,000 also includes a weighbridge and office.

At Renfrew, Strathclyde, a warehouse badly damaged by fire last year, is being rebuilt. The contract is worth about £150,000 and is for Comet Radiovision Services. The single-storey building, steel-framed with pre-cast concrete panels, is on the Blythwood Estate. Consulting engineers are Blyth and Blyth, 3, Atkins and Partners.

In the London and Manchester area, Tarmac has started work on a new 800 metres long concrete access road at Harden Colliery. The job, worth more than £107,000 also



The central services block of the Huddersfield Polytechnic due to be opened tomorrow by the Duchess of Kent. It was built by Dowsett Engineering Construction into a hillside near the town centre and has 15 storeys with entrances at five levels. Architects are Hugh Wilson and Lewis Womersley and the consulting engineers are Ove Arup and Partners.

Partition in timber system

GREATER structural strength, more flexibility of application—particularly for non-standard heights—and lower cost, are advantages over conventional are at present under development.

Aluminium plant near Dubai

G AND T CONSTRUCTION, jointly with Tarmac International and the Al Ghurair organisation of Dubai, has been awarded a £1m. contract for the civil and building works associated with the construction of a new aluminium extrusion plant near Dubai.

Located in the rapidly developing industrial area at Jebel Ali, 30km. south of Dubai, the extrusion plant is owned by Gulf Extrusions. Project manager for this is worth £220,000.

Fiche finds the pipes

ALTHOUGH gas maintenance teams can be sent quickly enough to the site of a suspected gas leak, problems can then arise in finding pipe locations.

In South Eastern Gas for example, there are some 10,000 ordnance survey maps with pipe runs and 50,000 more local sketches, some dating back to the first world war. Often the teams have to make trips back to headquarters to check on locations or conduct difficult conversations over the van radio-telephone. The question is now also arising of the archival permanence of many of the older drawings.

To overcome the problem SEGA has decided to commission a survey of all its 150 distribution supervisors with lightweight portable viewers that can be taken to the site. The system will cost about £75,000 but considerable savings in operational time and money are expected.

The fiche are carried in a pocket-sized album so that it will be easy to ensure that the supervisors will have any map he is likely to need.

Other gas boards, and other utilities are taking an active interest in the system and moves are afoot to ensure that it will be possible eventually to interchange data about underground services between the gas, water, electricity and telecommunications authorities.

Kodak, which has supplied a good deal of the equipment (although the 150 viewers are German) believes that the idea may have applications in other field-service industries.

Finds the heat leak

TYN, a Tate and Lyle company, has recently introduced a new camera which can reveal small temperature differences. Total range extends from -20 to +2,000 degrees C.

The company, which has developed the service in conjunction with B. L. Thermographic Surveys, emphasises that results are very much a matter of correct interpretation of the off-screen photographs, and that they have experienced job-trained technicians for this purpose. Tyn is at West Street, Buckingham MK18 1HE (02802 5251).

An infra-red TV camera is used which gives a "live" picture of thermal conditions. The screen is photographed

Readymade bathrooms

COMPLETE bathroom blocks which may be fitted directly into buildings are being offered by an Italian company at an ex-works cost of between £700 and £1,100.

The units have steel frames, are tiled in ceramics, aluminium or stainless steel and are ready for connection to pipework, ducting and power supply.

Built by FEAL of Milan, the units are being marketed in the U.K. by Makoni Establishment, 71 Selborne Road, London N14 7DZ. They are suitable for houses, hotels and hospitals.

Work rolls in to Pochin

ELEVEN contracts worth over £2m. have been awarded to Pochin.

Biggest of the contracts is a process control building for Clayton Aniline Co., Manchester. Contract value is £415,000. The second biggest, worth £358,000, is for a headquarters building at the R.A.F. station, Valley, Anglesey.

At Stockport Pochin will carry

Lower block in Qatar

THE YOUNG and Partners, Architects are Arabian Design Associates of Doha, assisted by "Hines" engineers and project managers by the Kassem Jaidah Langford and Every, and Partners, Doha, Qatar.

The project will go on to tender shortly and the estimated construction cost is £3m.

Paving the way to beat the spray

AT TIMES reaching a top speed of 3 metres a minute, a paving machine has laid 2,000 tonnes of friction course blacktop surfacing at the Donington Park motor racing circuit.

The nearly two miles long circuit was paved in six days by Redland Aggregates with a 20 mm thick bitumen binder which incorporates a natural rubber latex additive.

This material has been used on aircraft runways to prevent skidding and it is thought that on motor racing circuits it could very significantly reduce the volume of spray thrown up by high racing tyres.

Redland's contract included profiling of the circuit formation, kerbing and work in connection with service roads and the paddock.

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Flexibility of this Crendon structural system in satisfying specific requirements is amply demonstrated. Gantry crane in the above example is directly supported by cables which are an integral part of the frame design; as are the supports for the immediate floor in the adjacent 2-storey office block shown inset. In this way Crendon will always give you getting a bespoke structure from a standard system of framing with all its cost and time advantages.

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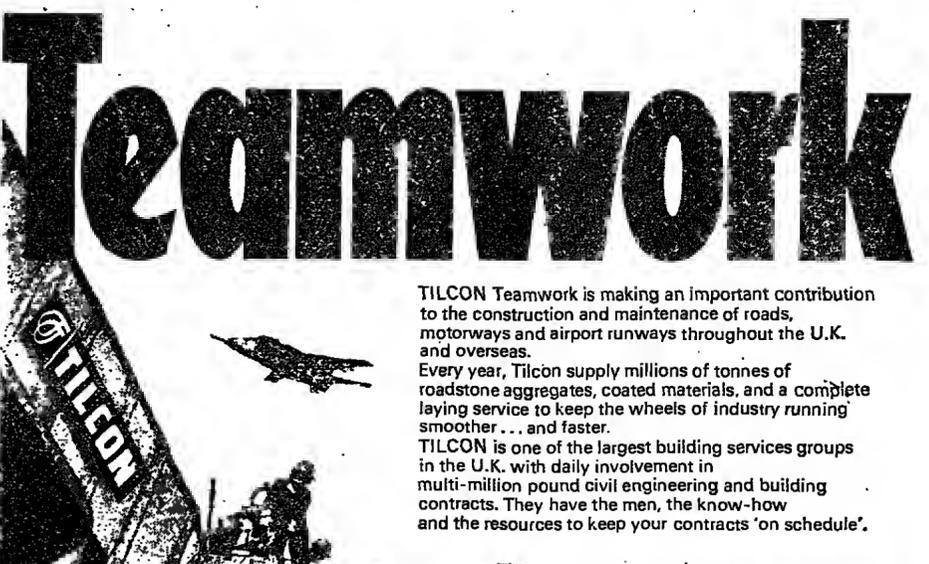
CRENDON Rowcliffe Rd., Gooles, N. Humberston, Gooles 420L

CRENDON Shotts, Lanarkshire ML7 5BP. Shotts 20281.

IN BRIEF

- P. Trani has won a £35,000 contract from British Rail (Western Region) for the construction of 650 metres of 600mm diameter surface water drain alongside the main line between Newbury Middle and East Junction signal boxes, where heavy rain has caused flooding in the past. The work is prior to track re-alignment so that the line can be upgraded for 100 mph trains.
- A contract worth about £1m. has been won by the Totty Building Group, of Bradford, for extensions and alterations to St. Joseph's College, Clunliffe Road, Bradford, comprising a new science and crafts block.
- A £153,000 contract won by John Mowlem and Company for work in connection with the flood defence gate at Tilbury Dock will all be carried out underwater. Mowlem will use a 171-ton diving bell manned by a crew of four operating at a depth of approximately 42 ft.
- Tilbury Construction has won a £4m. contract to build 63 flats at Harcourt/Alcester Road, Wallington, Surrey, for the Bourne Housing Society. Architects are Brian Drury Associates.
- Sigmund Pulsometer Projects, a member of the SPP Group, has been awarded two contracts, to a total value of £141,000, for the supply and installation of pumping equipment for a pumping station at Browns Point, Whitby Bay, and a new sewage treatment works at Sunderland.

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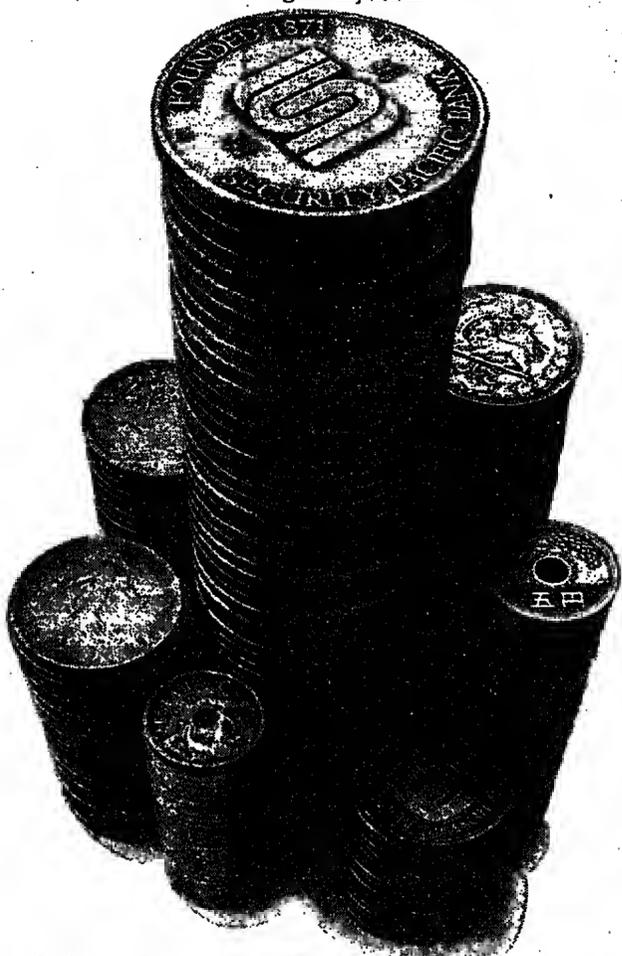
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United States, with assets of more than sixteen billion dollars. So if you're looking for a big money bank to handle the big share of a loan syndication, you should consider Security Pacific Bank. The big money bank.

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HOME NEWS

Leyland bus hopes fade as rival wins orders

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

BRITISH LEYLAND'S prospects of clinching a deal with local authorities and London Transport to build its next generation double-deck bus, the B15, have receded with the news that its main competitor has moved in to take orders from almost all the principal members of the proposed consortium. Metro-Cammell Weyman, the Midlands-based Laird group subsidiary now has orders for its Metrebus double-decker from five of the seven metropolitan county passenger transport executives, plus virtually assured orders from London Transport and from a sixth passenger executive, that in West Yorkshire. A total of 80 buses are involved and at the week-end Metro-Cammell was able to put the icing on the cake by announcing an order for 12 of the buses from the China Motorbus Company of Hong Kong. This latest order is worth \$500,000 and follows Metro-

Camell's success in winning a £40m. order for stock for the Hong Kong rapid transit now under construction. A further rapid transit order, of a similar size to the first, is likely if the second stage of rapid transit system wins Government approval. But it is in Britain where Metro-Cammell's successes will cause the greatest stir. Production of its first Metrebus will not be complete until August, but it has managed to win substantial orders in the strength of the performance of previous models and because Leyland has failed to find a speedy way of financing the B15, which was first specified in 1972. Leyland has told local authorities that it needs £60m. to develop the B15, of which the passenger excess it would pay about £7m. and London Transport a similar sum. Reaction to the package has

been mixed, with only Greater Manchester, London and the National Bus Company firm takers, but the change of political complexion as a result of this month's elections in London and Manchester could well have undermined even this progress. Sir Kenneth Robinson, chairman of London Transport, disclosed at his recent annual meeting that urgent consideration was being given to buying buses from a supplier other than Leyland in view of the non-appearance of the B15. London Transport confirmed yesterday for the first time that it had sought executive approval to buy five buses. Mr. Tony Sansome, managing director of Metro-Cammell, said that his company would probably build about 20 double-deck Metrebus this year before entering full production in January next year. Metro-Cammell would build as many buses as were ordered - it had no problems with production capacity.

London chamber recruit for CBI

By John Elliott

WESTMINSTER Chamber of Commerce has joined the Confederation of British Industry. This represents a relatively small but significant boost for the confederation's role as a central spokesman for industry and commerce. It also represents a setback for the Association of British Chambers of Commerce which has almost all the chambers of commerce in the country within its ranks apart from the Westminster. The confederation and the association have been rivals for some years although they have worked more closely together since 1975 when they decided, having considered merging to co-ordinate some of their activities. The association is housed within the confederation's London headquarters. The Westminster decision to be announced this week, has been taken because leaders of its 3,500 members realised that they needed to link with one organisation or the other. They decided that, since it is the confederation and not the association that is regularly consulted by Governments on national policies, they would have to join the former. They feel they cannot afford to belong to both. At the confederation, the event is seen as evidence of its growing success in recruiting new members.

Pay, prices figures may disclose 1% cut in earnings

BY ANTHONY HARRIS

FIGURES FOR wages and retail prices released this week are likely to show a further cut of perhaps a full percentage point in real earnings, adding further to the agitation against continued wage restraint. But the year-on-year inflation rate may be unchanged. First, however, there will be further evidence of the sharp home market recession already caused by the squeeze on real incomes. The retail sales figures to-day are likely to show a continuation of the slump which has already carried retail volume to its lowest figure for five years. Industrial production has not yet been affected noticeably, but the figures due to-morrow will reflect the long stoppage at British Leyland. The wage figures for last month, together with average earnings for March, will be published on Wednesday. They are expected to follow last year's pattern, when earnings rose much more slowly in the closing months of the year. The agreement than in the earlier part of the year, with the year-on-year rise falling steadily. Retail prices, for which last month's index will appear on Friday, are likely to be up

sharply, because the Budget tax increases on tobacco and alcohol worked quickly through to the retail end. However, since there was a 1.9 per cent. rise in the index between March and April last year, it is not certain that the year-on-year rate will rise this month, though this series is still expected to peak in about July. It is only after July - when this year's movements will compare with a 7 1/2 per cent. rise in 1976 - that the year-on-year rate is expected to fall.

Britain bottom in private savings

Financial Times Reporter

THE PROBLEMS of the British economy over the last decade cannot be blamed on the rising cost, relative to other EEC countries, of raising capital, claims a study published to-day. The study analyses the sources and uses of medium and long-term finance in the Common Market countries. The authors, two members of the Independent Economic Advisory Group, conclude that there is no doubt that the cost of capital in the U.K. was higher than in the major Western European countries in the mid-1960s. But it changed dramatically between 1965 and 1970, and since 1970 British capital costs have been below the EEC average. France is a high cost country, Italy has moved in the opposite direction while Germany, by most measures, has remained in a middle position.

Stokes optimistic on Meriden sales

BY PETER CARTWRIGHT, MIDLANDS STAFF

SALES OF the Bonneville could reach 10,000 to 12,000 in the next year, with possibly 7,500 in the present season, Lord Stokes former British Leyland chairman, told 150 Meriden Motorcycle Co-operative distributors in Birmingham. In the first week after separating from Nertex Villiers Triumph, which used to market the machines, Meriden shipped 1,200 Bonneville to the U.S. and the rate is continuing. Lord Stokes has been helping the co-operative in the U.S. market and is returning there soon. His estimates were made after talks with the former NVT dealers' organisation. The figures are substantially higher than the co-operative forecast when negotiating with the Government for the original £4.9m. aid two years ago. They make the report on the motorcycle industry by the Government consultancy group for the Government seem too pessimistic. The co-operative is now looking at an annual production of

16,000-20,000 units, with 3,000 going to the rest of the world outside the U.S., and 3,000-4,000 to the home market. The half-dozen distributors from Sweden, West Germany, Belgium - and, either - EEC countries, were as optimistic as the home dealers. The co-operative's marketing strategy was outlined by Mr. Brian Riley, an assistant managing director at GEC, which provided £1m. to get the co-operative out of its recent cash crisis. The distributors made it clear that they would be insisting on adequate spares and technical improvements if they were to sell against a target. The margin is to be restored to 20 per cent. The ex-works price of around £780 should keep Meriden trading profitably. The co-operative's next step is to recruit a team of management consultants to take over from GEC. They will be paid the going rate. At present, only Board members are paid more than £50 a week.

Trijet put on Jetsave's Los Angeles flight

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

JETSERVE, the U.K. low-cost transatlantic travel organiser, flew the first North American service yesterday, with the new British Caledonian Airways DC-10 trijet. The aircraft flew 291 passengers, from Gatwick to Los Angeles at an individual fare of £194 return, against the equivalent economy return of £469 for scheduled services. Four DC-10 flights a week are included in the Jetsave programme this year, between London and New York, Los Angeles and San Francisco. Jetsave is acquiring a DC-10 of its own for service in 1978.

Medium-engine car sales 'up'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

SALES of European cars powered by engines of between 1000 and 1500cc are expected to increase rapidly over the next decade compared with all other sizes, according to a survey by Frost and Sullivan, the London-based market research company. In 1973, engines in this category accounted for 45 per cent of all European sales, says the survey. But by 1980 this will have gone up to 55 per cent, and by 1985 to 60 per cent. By contrast, sales of small-engined cars less than 1000cc will drop from 15 per cent in 1973 to 10 per cent in 1980 and 8 per cent in 1985. The market for vehicles in the 1500cc to 3000cc range will drop more gently, from 37 per cent six years ago to 33 per cent in 1980 and 30 per cent in 1985, while sales of larger-engined vehicles will stay steady at 2 per cent. The forecasts, given at a London seminar, also indicate only a gradual growth in distances travelled within western Europe and a much steadier expansion of the after-sales market for motor products than was normal in the 1960s. The volume of traffic will go up by an annual average of only 3.7 per cent, between 1975 and 1980 and by another 3.8 per cent in 1980-85.

SALES OF the Bonneville could reach 10,000 to 12,000 in the next year, with possibly 7,500 in the present season, Lord Stokes former British Leyland chairman, told 150 Meriden Motorcycle Co-operative distributors in Birmingham. In the first week after separating from Nertex Villiers Triumph, which used to market the machines, Meriden shipped 1,200 Bonneville to the U.S. and the rate is continuing. Lord Stokes has been helping the co-operative in the U.S. market and is returning there soon. His estimates were made after talks with the former NVT dealers' organisation. The figures are substantially higher than the co-operative forecast when negotiating with the Government for the original £4.9m. aid two years ago. They make the report on the motorcycle industry by the Government consultancy group for the Government seem too pessimistic. The co-operative is now looking at an annual production of

Auditors willing to check Phase 3 pay deals

By Michael Lafferty, City Staff

SUGGESTIONS that auditors should monitor productivity deals under the Phase Three pay policy have been welcomed by leading chartered accountants as well within the profession's competence. Mr. Matthew Patient, a partner in Deloitte and chairman of the profession's company law committee, said the work would present the auditor with "no difficulty provided clear guidelines were laid down." Given this, there should be no argument between unions and management as to the instructions given to the auditors, who would be capable of acting as independent score-keepers. Mr. Michael Coates, senior partner of Price Waterhouse, said that the work could be difficult, but there was no reason why auditors should not be able to do it. A similar view was expressed by Mr. Deegle Morphet, a partner in Touche Ross, who considered that the accountancy profession was well equipped to meet productivity deals. Fears that an extension of the auditor's work into this area could leave him in dispute with both management and unions were dismissed as over-cautions by Mr. John Darby, Arthur Young McGea partner in Deloitte and chairman of the profession's company law committee, said the work would present the auditor with "no difficulty provided clear guidelines were laid down."

More Home News on page 29

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Europe's lowest-paid managers

Financial Times Reporter

TOP MANAGERS in British medium-sized companies are lowest paid in Europe, rank only with those in Portugal a Spain, according to the latest edition of the Confederation of British Industry's West Europe living costs survey. While salaries are low, prices are also often below those of other countries, says the survey which gives statistical information for companies on operating costs abroad. It shows that the managing director of a medium-sized British company with an annual turnover of £1m. to £2m. will earn £730 to £1,040 a month in the U.K. compared with £570 in Portugal or £940-£1,100 in Spain. At the other end of the scale he would be £2,000-£2,500 in Holland, £2,800 in Sweden, £2,350-£4,700 in Switzerland. Cheapest prices A general manager would earn £550-£550 in the U.K., £1,250 in Spain, £450-£540 in Portugal, £1,850 in Switzerland, £2,100 in Sweden. On the costs side, however, the U.K. is also often among the lowest. A medium-range refrigerator, for example, is cheaper in the U.K. at £55, while Portugal it costs £180. Belgium topping the list at £218. A pair of men's town shoes are £13-£18 in the U.K. and at the same price in Portugal while Holland is the most expensive at up to £37. However, U.K. office accommodation rates are the most expensive at £50-£160 per square metre in London compared with a large town in Italy which is the lowest at £17-£48. The next figure to the U.K. rate for office space is shown as being a large town in France at £64-£123. All the figures are based on exchange rates in January this year. West European Living Costs 1977. CBI, 21, Tothill Street, London SW1H 9LP, 28.

Name change

NEWSPAPER Press Direct

usually published in June will appear this year in November as Benn's Press Direct. The change of name reflects a wider range of content. The directory covers all Press Direct radio and television.

These securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE



April 1977

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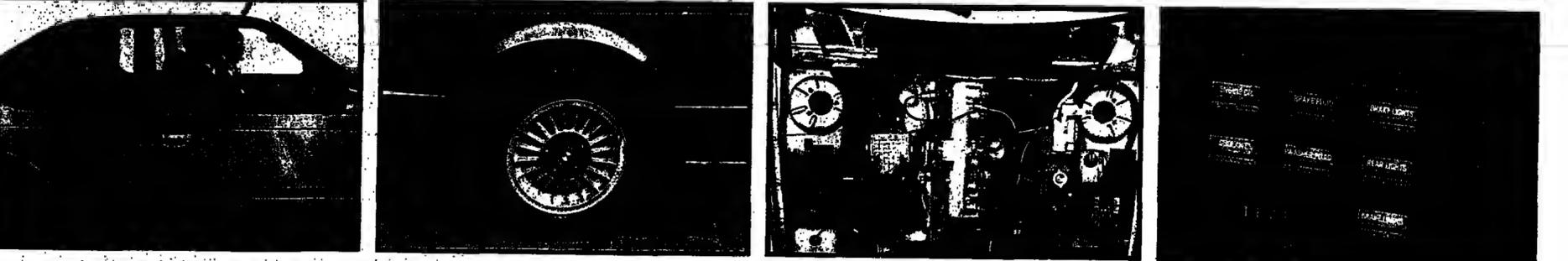
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Handwritten scribble at the bottom of the page.

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The new BMW 633 Coupé reflects the qualities that make people successful.



The 633 Coupé will inspire its owner with a very particular feeling and a reassurance that even in these difficult times things could be worse.

There are several reasons for this. The Coupé has a unique style, an elegant look of purpose and power. The 3.3 litre, six cylinder engine produces 200bhp. Maximum speed is 134mph. Yet the ride is so effortless that even when the Coupé is being driven fast all you're aware of is the ease with which the power is handled.

Unlike some cars called 'Coupés' the 633 has room to spare for four adults. The leather and velour seats are biomechanically designed for comfort and real support. The front two are not only adjustable for angle and reach but also for height. This ensures that there's plenty of

legroom available in the back.

Detailed attention has been given to the driving position. As with the seat, the steering and pedal positions are adjustable. The control panel 'wraps around' the driver to give the quickest and easiest display and operation. All round visibility is excellent. The feeling the driver has is one of complete command of car and road—a feeling justified by the car's performance.

The balance of speed, handling and comfort is complemented with features like speed-related power steering, electric windows and mirror, tinted glass, head restraints and automatic or manual transmission as standard.

The Coupé also incorporates several highly sophisticated safety systems such as the

driver's safety check panel, where at the press of a button he can check on seven major safety functions of the car. If the worst should happen the Coupé will absorb impact energy in a pre-planned way to give maximum security.

However the main safety feature lies in the car's immediate and exceptional response to the driver. This gives more options in critical situations.

All these factors ensure that the Coupé succeeds in its ultimate purpose—to make every journey fast, safe and effortless to a degree never achieved before. They also make the Coupé one of the world's most pleasurable cars to drive.

So when you next see the BMW 633 Coupé, you might recall the old adage that nothing succeeds like success.

Specification Resumé For Manual Version.
BMW 633 CSI Coupé. Engine 3210cc, six cylinder, fuel injected producing 200bhp.
Performance: Maximum speed 134mph. 0-60 in 7.6 secs.
Petrol consumption: 26mpg (28mpg at constant 62mph).

Price.
£14,799 (Manual or automatic. Price correct at time of going to press)



For the joy of motoring.

BMW Concessionaires GB Limited, 991 Great West Road, Brentford, Middlesex. 01-568 9155. Export, NATO and Diplomatic: 55 Park Lane, London W.1. 01-629 9277.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH Glass fibre phone lines by Philips

CLOSELY involved with plans to use glass fibres carrying laser beams as the channels for a large number of telephone lines in Holland and Germany, the Philips organisation is building a fibre design and testing facility at Eindhoven.

It is to carry out extensive testing of cable, ultimately to be extended to 16 km. This will contain six fibres, each with capacity to carry 1920 telephone channels (140 Megabits/second) yet each fibre will be only 0.1 mm thick.

The aim is to develop a carrier in which signal attenuation in the fibre is less than 5 dB per km, that is after each kilometre, signal strength drops by less than a factor of 0.7. This is not sufficient to bridge the whole 16 km length and a repeater amplifier will be inserted halfway.

A start has already been made

with a single-fibre cable 6 km long with one repeater half way. The six-fibre cable with a structure reinforced with wire and protected in a plastics sheath will go in later and the full 16 km facility will be set up next year.

In Germany, Felton and Guillaume (Philips Group) has been assigned the task by the Bundespost of setting up a 4 km optical fibre cable in Berlin to operate at 34 Megabits/sec, or about a quarter the capacity of the Gdeltrop experimental link. Applicability and reliability will be extensively tested.

Philips sees the extension of the optical transmission systems with their slim and relatively lightweight cables immune to electromagnetic interference, as probably the best answer to the growing demand for large bandwidth services such as facsimile, conferencing, videophones, etc.

Essential to the development of the system is the light source. In this instance a tiny gallium arsenide laser which, in the laboratory, has been demonstrated to have an operational life of 20,000 hours. Developers at Philips believe it will be possible soon to achieve a life of 100,000 hours which is the minimum demanded of an optical communication system.

HYDRAULICS Clutch and brake fluid

HIGH PERFORMANCE hydraulic fluid for disc and drum brakes, and for clutch systems, has been introduced by BP Oil.

Its characteristics ensure that it meets the high temperature demands of a fast-acting clutch as well as the long life requirement of the fluid to transmit hydraulic forces in most environments.

More from BP Oil, Victoria Street, London SW1E 6JY (01-831 2195).

oxidation inhibitors, and it can be used with all conventional sealing and hose rubbers. Visibly, its characteristics ensure that it meets the high temperature demands of a fast-acting clutch as well as the long life requirement of the fluid to transmit hydraulic forces in most environments.

PROCESSING Fast optical polishing

BY EMPLOYING a "free float" system a polishing machine now being marketed by Precision Lap, allows all sorts of component shapes and configurations to be accommodated on it at the same time. The operator has complete flexibility—he can polish hundreds of small items or three very large components and can increase pressure on the back surface of components being polished to correct errors of parallelism.

A 5 hp dc motor drives the tables at speeds from 0 to 30 rpm. There are three work holders, each held by a Precisionlap, Doman Road, Yorktown Industrial Estate, Camberley, Surrey, GU15 3DF each yoke, which can be oscillated about a pivot point—this allows a wider proportion of the polishing area to be covered, and eliminates tracking.

Slurry is recirculated through a pump and filter. The polishing surface can be almost any soft material—such as felt, polyurethane or alk.

Whatever the polishing medium, it is bonded to a steel base plate, which has been conditioned to better than two light bands over six inches, and this plate is bolted to a cast iron support plate.

More from Precisionlap, Doman Road, Yorktown Industrial Estate, Camberley, Surrey, GU15 3DF (0276 27123).

allows a wider proportion of the polishing area to be covered, and eliminates tracking. Slurry is recirculated through a pump and filter. The polishing surface can be almost any soft material—such as felt, polyurethane or alk. Whatever the polishing medium, it is bonded to a steel base plate, which has been conditioned to better than two light bands over six inches, and this plate is bolted to a cast iron support plate. There are three work holders, each held by a Precisionlap, Doman Road, Yorktown Industrial Estate, Camberley, Surrey, GU15 3DF each yoke, which can be oscillated about a pivot point—this allows a wider proportion of the polishing area to be covered, and eliminates tracking.

COMPUTERS

Taking power where the problems are

WITH THE co-operation of Ferranti, a research team from The City University, London, will be demonstrating its brainwave computer techniques at the international exhibition of microcomputers and minicomputers which opens in Geneva to-day.

The new development is the "Roving Slave Processor," or RSP, a small, portable computer which in its final form will be not much bigger than a transistor radio. The RSP, designed by Dr. John Brignell, working with his team in the Department of Electrical and Electronic Engineering at the University, will offer industry and such bodies as the National Health Service considerable advantages of cheapness and versatility. Already the team has had inquiries from industry and government.

RSP, which operates without conventional peripherals, is loaded with its program by being plugged into a larger computer. By this means all the preparatory computing, which requires extensive facilities, is carried out on the master computer. The on-line measurement, which normally demands the full use of the latter, can be carried out separately, wherever convenient, by the slave. One central master computer can thus service several slaves, which may be detached to operate at a remote site.

An interesting aspect of this technique is that the complex and expensive process of designing hardware instruments and interlinks over communications networks is replaced by the much more flexible one of connecting blocks of programming in a purely software exercise.

Four main areas of application are envisaged, including working with instruments that are tailored for specific roles, such as electro-encephalography. In EEG measurements, for example, there is a waveform which is a characteristic precursor to an epileptic fit. Unfortunately this waveform varies from individual to individual, but the roving slave processor techniques would enable a personalised instrument



Dr. Brignell's roving slave processor leaving The City University for the flight to Geneva.

COMMUNICATIONS Small tough radiophone

A RUGGED radiotelephone for hand-held use, the PRT20, has been launched by Redifon Telecommunications.

Measuring 190 x 57 x 29mm and weighing 435gm (just under 1 lb), the transceiver is built round a cast aluminium frame and is moisture-proof. Hybrid microcircuits are employed—the principal reason for the small size. Monolithic crystal filters, bell-shaped resonators and tempera-

BANKING Spoken word summons data immediately

POTENTIALLY a major boon to any dealer or broker who is called on to make prompt decisions on the basis of a telephone request or offer is the EMT voice recognition equipment and operating routines known under the name of Threshold.

It is now being harnessed to banking requirements by the Arbat organisation which is calling its version "Speak Easy," a name likely to go down well in the U.S., where the company anticipates a good deal of business.

The intention is to make the units part of the company's threefold banking system. Based on Digital Equipment PDP 11 minis and running under the AIMS 11 operating system, it allows virtually every banking routine to be run in real time, that is, as a transaction occurs, so it is made to affect all relevant computer-held files.

Arbat has done a great deal of work to interface its systems with Swift and already has one user running Swift routines concurrently with banking.

"Speak Easy" can be trained to respond up to 255 phrases and is "taught" a word by the user repeating it ten times. The electronics average out the voice pattern and store it in memory. Immediate application is likely to be in situations where an operator is in control of a series of systems such as Swift, so that he can call up by saying

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INSTRUMENTS Determines humidity

IN INSTRUMENT for the rapid determination of humidity in air and other gases has been put on the market by Mitchell Instruments, 5, Covent Garden, Cambridge, CB1 2ES (0223 312427).

This portable unit can be operated from the mains or an internal battery and the operating range is covered in two spans from -50 to +10 deg. C dewpoint, which is equivalent to between 10 and 10,000 ppm water in gas.

Sensor is a thin oxide film—essentially a capacitor sensitive to water vapour pressure and able to discriminate between very small changes in humidity. Already in military service, it is capable of long term industrial plant or laboratory test work. It is unharmed by condensed water or by most impurities likely to be encountered.

Applications are likely in routine monitoring of industrial processes, compressed and liquefied gas, air drying systems and glove boxes.

Ultraviolet level indicated

THOSE needing to measure ultra-violet radiation levels in NDY work, and in medical optical and biological research should find the J-500 radiometer of interest.

Made by Ultra-Violet Products of 4 Andover Road, Winchester Hants SO23 7BS (0962 66229) the instrument provides a direct digital reading in milliwatts/sq. cm. and is automatically accurate to traceable to National Bureau of Standards.

Sensors for the unit are coated for reading at specific wavelengths of 254, 307, and 365 nanometres; they are interchangeable without affecting overall system accuracy. Measurements can be made between one micro-watt/sq. cm. and 200 milliwatts/sq. cm. to an accuracy of 1 per cent of full scale. Over-ranging is indicated as well as low battery level—nickel cadmium batteries are used and a charger is provided. The instrument measures loads as applied, and the 210 x 155 x 825 mm. and weigh result read from a dial gauge. 0.6 kg.

HARDNESS tester

A PORTABLE instrument for applying all Rockwell hardness tests with loads from 15 to 150 kg., to crankshaft journals of various types and sizes has been introduced by Rockwell Hardness Testers, Sandy Lane, Stourport-on-Severn, Worcs. (02993 6728).

The test unit clamps directly to the crankshaft journal to within 43 mm of the crank cheek. Once the unit is clamped in place major and minor test loads are applied, and the result read from a dial gauge. 0.6 kg.

MATERIALS Gelatin for capsules

FOLLOWING successful trials, it is stated to be particularly suitable for hard capsules, a new gelatin manufacturing plant has been put into full-scale production by Croda Gelatin, PO Box 5, Moss Bank, Widnes, Cheshire WA9 0RS (051424 5568).

CONFERENCES Profiting from waste

RECLAMATION AND re-use of plastics and rubber is the subject of a conference organised by the National Industrial Materials Recovery Association jointly with the Institute of Purchasing and Supply. It will be held at the Regent Centre Hotel, London on June 14.

Information will be provided on the plastics and rubber wastes most frequently encountered, and their potential for recovery and re-use. An examination of trends will include reports on the progress being made by cryogenic grinding by a speak from Air Products, and on extraction of high grade polypropylene and metals by pyrolysis by speaker from Warren Sprit Laboratory.

Details from NIMRA, 25 House, Westminster, Bristol Road, London SE1 7UT 0125 5735.

Great changes make a great show greater!

At the International Mechanical Handling Exhibition everything's in a much bigger way. The spread is wider. The depth is greater. And much has been added.

The 1977 exhibition, at the National Exhibition Centre, Europe's most modern exhibition complex covers factory handling, trucks, construction machinery, bulk handling, storage, packaging, warehousing, waste handling, distribution, parts and terminals, plant maintenance, freight transport and containerisation.

***Movement Resources Centre**
A complete advisory and information service with the full participation of British government departments, prominent British financial institutions, safety bodies and all the major trade associations.

***Materials Handling Conference**
Daily sessions sponsored by Institute of Materials Handling and Institution of Production Engineers, and supported by the D.O.I.'s Committee for Materials Handling.

- *Movement Forums**
Every morning the Federation of Association of Materials Handling Manufacturers are running sessions covering industrial trucks, mechanical engineers, storage, loading bays and lifting equipment.
 - *Computer Point**
Sophisticated equipment selector identifies source of plant and equipment to match your needs by specification, size, output, performance, and other criteria.
 - *Outside Demo Area and Proving Ground**
See plant and equipment in action to help you make up your mind before you buy.
- Yes! The International Mechanical Handling Exhibition has never been like this before—there's so much going on and so much of value for your company. Come and see it all

MOVEMENT 77

International Mechanical Handling Exhibition
16-21 May 1977 09.30-18.00
NATIONAL EXHIBITION CENTRE Birmingham

MACHINE TOOLS Drills are redesigned

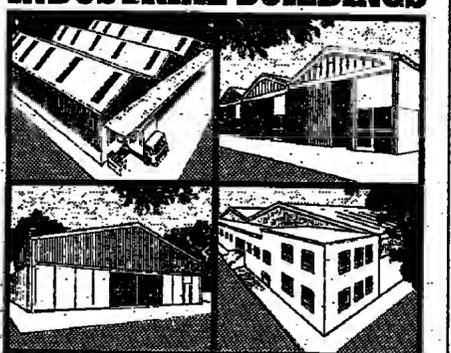
RISING DEMAND for radial drilling equipment has led Quilter and Smith Bros. to recommence manufacture of radial drills.

The company has re-designed two of its machines to provide increased capacity. Both have a two-locch capacity in steel, and a 15 locch dia. column. Single lever control is in control of a series of interlocking gears which is autolocked at any point. Power arm elevation and spindle functions are also controlled by a single lever.

Powered by 4 or 34 hp motors, each machine provides 12 spindle speeds, from 60 to 1,750 rpm. Head travel is 99 1/2 or 27 1/2 inches. Optional extras include box table, low voltage lighting unit, coolant equipment using the built-in coolant tank, and safety braking units.

Details from the maker at Summer Lane, Barnsley, South Yorkshire. (0228 87561).

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The Belcon service to industry offers the design, manufacture and erection of precast concrete, structural steel or composite frames in Single, Double and Three storey construction with a wide selection of external finishes. Brochures and details of the Belcon service from— Bell & Webster Ltd., Belcon House, Essex Road, Huddersfield, West. Y.S. (0474 2444). Telephone: Huddersfield 6741 (20 lines). Telex: 34424. Spencers Bridge Works, Northampton. Telephone: 0504 52242. Telex: 31254.

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ROTARY SWAGING MACHINE by Farmer Norton, max. capacity 1" M.S. bar.	P.O.A.	0902 42541/2/3 Telex 336414
MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillottes, etc.	P.O.A.	0902 42541/2/3 Telex 336414
1974 FULLY AUTOMATED COLD SAW by Noble & Lund with batch control for cutting non-ferrous bar. Max. capacity 5" round and square.	P.O.A.	0902 42541/2/3 Telex 336414
50 HP HORIZONTAL BULL BLOCK 800 mm diameter drawblock	P.O.A.	0902 42541/2/3 Telex 336414
1976 CUT-TO-LENGTH LINE max capacity 1000 mm 2 mm x 7 tonne coil fully overhauled and in excellent condition.	P.O.A.	0902 42541/2/3 Telex 336414
1965 TRIPLE DRAFT GRAVITY WIRE DRAWING machine by Farmer Norton 27"-29"-31" diameter drawblocks.	P.O.A.	0902 42541/2/3 Telex 336414
STRIP FLATTEN AND CUT-TO-LENGTH LINE by A.R.M. Max capacity 750 mm x 3mm.	P.O.A.	0902 42541/2/3 Telex 336414
1963 HYDRAULIC SCRAP Baling PRESS Capacity of main ram 85 tons.	P.O.A.	0902 42541/2/3 Telex 336414
THREE UNUSED 10 DIE SUPERFINE WIRE DRAWING MACHINES by Marshall Richards.	P.O.A.	0902 42541/2/3 Telex 336414
1,750 mm wide x 9 ROLL FLATTENING MACHINE—fully adjustable and equipped with back up rolls.	P.O.A.	0902 42541/2/3 Telex 336414
650 KVA MIRRLESS DIESEL GENERATING SET, 3300 volt, 3 phase, 50 cycles, 750 r.p.m. Ex. ministry, skid-mounted. Choice of four with only 307, 391, 707 and 869 hours on respective clocks.	27,500 each	0283 790333 Telex: 336414
WATER PURIFICATION SETS, convert sea water to drinking water—85 gallons per hour. Diesel driven—unused.	44,000	0283 790333 Telex: 336414
390 KVA ENGLISH ELECTRIC DIESEL GENERATING SET. 400 volts, 3 phase, 50 cycles, 750 r.p.m. Ex. ministry, Two available.	22,500 each	0283 790333 Telex: 336414
250 KW DORMAN DIESEL GENERATING SET. 415 volts, 3 phase, 50 cycles, 1500 r.p.m. Ex. ministry, skid-mounted. 401 hours on clock.	28,000	0283 790333 Telex: 336414
250 KW FAXMAN DIESEL GENERATING SET. 415 volts, 3 phase, 50 cycles, 1000 r.p.m. Ex. ministry, skid-mounted.	27,500	0283 790333 Telex: 336414
2.7 MEGAWATT MOBILE GENERATING SET. Rolls-Royce Proteus gas turbine engine voltage 11,000/6,600. Mounted on trailer. Total weight approx. 35 tons.	265,000	0283 790333 Telex: 336414

WANTED

MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillottes, etc.

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Telex 336414

The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

BASIC SKILLS

BY SUE CAMERON

EXECUTIVE HEALTH

BY DR. DAVID CARRICK

Time to examine your own literacy

THE LOW standard of literacy and numeracy displayed by so many of today's school leavers has become a favourite grouch among employers. They were at it again only last week. Representatives of the engineering, rubber and plastics industries went before a House of Commons committee to complain—for the umpteenth time—about the bad grammar, the poor spelling and the mathematical incompetence of their younger employees. This state of affairs is, of course, deplorable. But what about the proficiency of managers themselves in the basic skills of reading, writing and arithmetic?

The proliferation of books and courses designed to teach managers how to write reports and how to improve their reading speeds suggests that executive literacy may leave much to be desired. There are no firm statistics on the reading and writing abilities of UK managers but there is some circumstantial evidence, and there are plenty of theories, some of which have a decided ring of truth about them.

Their bosses' turgid prose

Some management teachers say that a high proportion of senior executives fail to cope adequately with their paper-work simply because they read so slowly. Others claim that many managers find it virtually impossible to compose an intelligible memo or report. They add that businessmen often devote only two out of ten for spelling and handwriting, yet give both to learn how to type because they feel this is beneath them. Apparently they typewriters are regarded as low status machines, fit only for women.

Fortunately, however, their lowly secretaries who actually do the typing are said to be dab hands at turning their bosses' turgid prose into reasonably lucid English. As a result, many managers who cannot put their thoughts on paper are saved the embarrassment of having to admit it.

Mr. Bob Garrett, a freelance management consultant, and many executives cannot write member of the executive committee either. Report writing



Managerial spelling lesson from a long-suffering secretary; necessary chore or "exploitation by verbal entrepreneur"?

seems to present special difficulties. He says that in his experience managers tend either to write such brief reports that they leave out sections of vital information, or else they ramble on and turn out a document that is only fit for the waste-paper basket.

Some managers are just as bad at letter writing, he continues. Yet this failing is often hidden because secretaries rewrite the letters that are dictated to them. When the final product is brought in to them for signing, woolly minded bosses often fail to notice the subtle improvements that have been made. They assume it is all their own work and many secretaries are unwilling to puncture male egos by pointing out the grammatical corrections.

Reason for bad letter writing

One personnel manager claims that literacy standards among managers might improve if secretaries took a firmer line over poor English and confused ideas. She adds that one reason for bad letter writing is that few managers are ever taught how to dictate a business letter—companies just assume that

among managers as among other sections of society. Mr. Campbell claims that the language is being "exploited by verbal entrepreneurs." He says that one way of putting an end to "phrase peddling" would be for managers to agree on the terminology they are going to use. Mr. Garrett, on the other hand, says that managers do not need a specialised, technical language of their own. He insists that good, plain English is adequate for their needs.

Written word is too slow

A completely different point of view is expressed by Dr. John Burgoyne, of the Centre for the development of management teachers and trainers at Lancaster University. It probably does not matter if managers are only semi-literate, he says, because they operate chiefly through the spoken word anyway. He claims that in some ways the written word is too slow a medium for the modern business world.

Research at Lancaster suggests that managers rely on the written word only for the more mundane tasks they have to perform. Important messages and vital decisions require speed and therefore people use either face-to-face meetings or the telephone, Dr. Burgoyne says. The objection to this argument is that deals made over the phone usually have to be confirmed and recorded in writing. Managers who are, for example, trying to win a contract from their rivals also generally have to present their company's case in writing.

Although Dr. Burgoyne is prepared to take a lenient view of managers' reading and writing abilities, he takes a strong line over their numeracy—or rather their lack of it. He contends that many managers are incapable of doing simple algebra and complains that too many of them do not even understand their own balance sheets.

"There are still more arts people going into management than there are scientists or financial experts," Dr. Burgoyne says. Whether they are numerate or not, a lot of them tend to think that as long as a chap knows how to deal with other chaps he'll become a competent manager."

Whether literacy or numeracy is more important for efficient management, the time may now have come for managers to take stock of their own competence in the three Rs, as well as examining the abilities of their recruits.

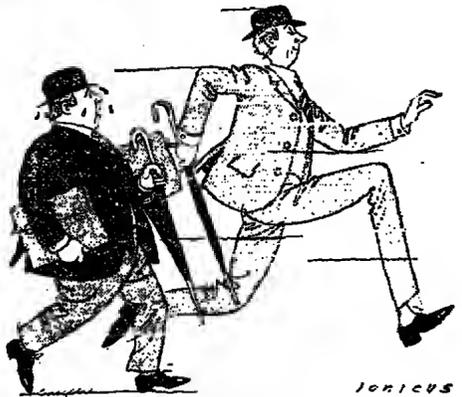
FEW THINGS are certain in this life. That which we fear, frequently fades into a forgotten, futile fancy. Again, when all the world seems springlike, a cold East wind of woe (often enclosed in brown envelopes marked GHMS) murders our merriment. Yet it is these unforeseen alterations and inversions that help to keep us alive and, if not happy, sufficiently optimistic to enjoy a state of cosy disgruntlement.

Now there is a demi-myth that fat people are never discontented. Certainly this is true of a certain type of individual who is, by nature, pleasantly contented. Possibly Julius Caesar had this type in mind when he displayed his marked preference for being surrounded by fat men.

But things are very different today. In North America, for example, fat executives are said to have no chance in the rat-race against their gaunt, anxious, dyspeptic competitors who are believed to have more drive and energy. And that makes a mockery of an old American proverb: "Everybody loves a fat man."

But the word fat has been largely supplanted by the ugly word obese which is a barbarous concoction from the Latin *ob* and the past-participle of *edere*; the result, on literal translation, should mean "having eaten." Regardless of the absurdity of the word, one has to accept that obesity is a condition marked by a morbid accumulation of fat in the subcutaneous and deeper tissues, something that is usually less obvious to the sufferer than to his friends and, particularly, to his enemies.

If the condition is not checked, physical penalties may be added to the mental trauma occasioned by the sniggers and jibes of colleagues. It is geographically accepted that the truly



... fat executives have no chance...

obese individual runs a risk of developing numerous disorders including: one type of diabetes; jaundice; heart disease; varicose veins; pites; joint-troubles; notably in the spine, hips and knees; respiratory diseases; indigestion; gall-stones and many other problems, not the least being increased risks should surgery ever be required.

What are the causes of obesity? There are many. Emotional problems may decrease the appetite in some (tovers in others). Fat children are often unwanted children; and fat children frequently become fat adults. Very rarely certain glandular diseases are responsible. But perhaps the second commonest cause is over-eating, particularly in an irregular manner. Surely, though, the most common cause is sheer greed.

Now I can already hear indignant complaints, such as: "I only eat half as much as old so-and-so, yet he is as thin as a lath!" And this is true. But I will be honest enough to admit fair!

Tips for committee chairmen

Sir John Hunt, Secretary of the Cabinet, has compiled a list of 20 do's and don'ts for committee chairmen.

The list appears in the latest edition of "Management Services in Government," published by the Civil Service Department. Sir John starts off by saying that "homework is essential" for a chairman, because he is the only person at a meeting who "cannot read his brief or his papers as he goes along."

A chairman should also sort out his papers before the meeting begins. "A chairman hunting among his papers or whistling to the secretary is very un-

putting to the main speakers," Sir John says. If a complicated topic is to be discussed, it is worth telling everyone present how it is to be handled. For instance, each committee member might be asked to give a general view first, before tackling details.

If "blots get sticky," Sir John says, "a chairman should remember that there are different ways of taking the heat out of an argument. A chairman could try introducing a new factor into a discussion, asking for the views of someone who is not already involved in the argument, or simply making a light-

hearted remark. Any of these alternatives is better than "appealing for moderation."

Summing up is often the most important of a chairman's jobs. Sir John concludes, and he should, always do his best to get it right first time. There is nothing worse than a summing up which leads to a further round of argument instead of closing the meeting. Finally, Sir John says that if people have worked hard during a long meeting the chairman should remember to thank them for their efforts before they go.

Management Services in Government: Civil Service Department, Whitehall, London SW1A 2JZ. £2.50 (includes postage and packing).

A FINANCIAL TIMES SURVEY THE CHEMICAL INDUSTRY

JUNE 20 1977

The Financial Times is preparing to publish a survey on the chemical industry in its edition of June 20 1977. Publication has been timed to coincide with the EUROCHEM exhibition and conference. Separate articles will be devoted to the costs of raw materials, prices control, the rate of investment in the industry, market trends and the specialised business of storage and distribution. The main headings of the proposed editorial synopsis are set out below.

INTRODUCTION The short-term prospects for the industry which is showing signs of returning confidence; hopes in Europe for a continuing increase in levels of demand.

RAW MATERIALS Continuing increases in oil prices have made the industry look at oil fractions other than naphtha as possible sources of raw material.

TRADE The British industry, with a successful export record, is building up its direct investments in Europe and the United States; the international framework within which it operates.

INVESTMENT The chemical industry has invested strongly in the United Kingdom in recent years and the availability of gas and oil from the North Sea offers opportunities for further growth.

PROCESS PLANT The ability of process plant manufacturers, forced by the recession to seek work abroad, to respond to any upturn in demand in the domestic market.

INORGANICS Developments in inorganic chemicals based on minerals, still an important part of the industry despite the domination of petrochemicals.

MARKETS A review of trends in: (i) plastics; (ii) fibres; (iii) pharmaceuticals and toiletries; (iv) dyestuffs and pigments; (v) soaps and detergents; (vi) fertilisers; (vii) agrochemicals; (viii) flavours and fragrances.

NEW PRODUCERS The big chemical manufacturers in Europe are being challenged by new producers in the Middle East and in other developing areas.

HEALTH Efforts by the industry to ensure a high standard of health precautions for its employees; the industry's training board.

SAFETY Public concern over the possible consequences of accidents in chemical manufacture has led to the creation of very stringent safety standards for production processes.

POLLUTION The British industry's efforts to ensure that its products are safe and will have no long-term effects on the environment.

STORAGE AND DISTRIBUTION A review of the services available and of the special facilities being provided for storage and distribution, now a highly specialised business.

The proposed publication date is June 20; copy date is June 10 1977. For further details of the synopsis and advertising rates contact Anthony Wreford 01-243 8000 extension 565. The Financial Times, Bracklen House, 10, Cannon Street, London EC4A 4BY. Telex 885033.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of all surveys in the Financial Times are subject to change at the discretion of the Editor.

Patent guide to trends in innovation

BUSINESSES searching for diversification projects, or wanting to see which general direction their competitors may be following in several years' time, should take a look at the Patent Office's review of patent applications during 1976, which has just been published.

The overall impression is that established innovation areas maintained their lead last year, but that several new trends are emerging. Innovators are being increasingly stimulated by the energy crisis; by North Sea oil exploration; by the growth of the credit card society; and by the widespread craving for new sound and vision reproduction techniques.

Out of a total of 30,787 new complete specifications accepted by the Patent Office in 1976 (1.8 per cent. less than in 1975), organic chemistry accounted for 3,236, machine parts for 2,590, and macromolecular compounds for 2,288. These three leading areas each ran at about the same level in 1975.

Concern over the pollution of the environment generated a number of inventions ranging from semi-conductor gas detectors to converters of noxious waste gases. The energy crisis stimulated inventors to come forward with a series of inventions for the use of solar energy; and of geothermal sources. There was also a sustained output of specifications relating to the assembly and installation of off-shore platforms for North Sea oil.

The motor industry may have lost much of its enthusiasm for rotary engines, but there was continued activity in this area because of their potential for gas compression and pumping. Printing was also well represented—there were advances in dry offset lithography and ink-jet printing.

Further progress was achieved in arc control on vacuum switch contact assemblies, in super-conductive coils, in video-disc technology and other memory devices, as well as quadraphonic sound systems.

Patents, Designs and Trade Marks 1976. "House of Commons Paper 318, HMSO £1.00.

Premier Health Plan. New from PPP. The benefits speak for themselves.

The table below shows the benefits available in any one year to each person covered by either Premier Health Plan 1 or Premier Health Plan 2. Note: Where weekly benefits rates are shown, daily rates (at one-seventh per day) will be paid for parts of a week.

Benefit	Premier Health Plan 1	Premier Health Plan 2
Private accommodation room charges including in-patient nursing. A full refund up to 26 weeks will be paid for private room charges in independent hospitals and Nursing Homes, and NHS pay beds, up to the relevant maximum charge for London Teaching Hospitals (for Premier Health Plan 1) and Provincial Teaching Hospitals (for Premier Health Plan 2).	Up to £420 per week	Up to £322 per week
Should NHS pay bed charges be increased during your subscription year your benefits will automatically be increased to the new level.		
Surgeons and Anaesthetists' fees for each operation.		
Major operation.	Up to £250	Up to £200
Intermediate operation.	Up to £125	Up to £100
Minor operation.	Up to £75	Up to £50
Medical advisors, when major operations involve specialised techniques and surgical teamwork, such as open-heart surgery.	Up to £150	Up to £120
Physician's fees. Benefits is payable for up to 26 weeks.	Up to £70 per week	Up to £58 per week
Additional in-patient benefits. A full refund of fees is payable up to the maximum level for each subscription year for: 1. Theatre fees, drugs and dressings. 2. Surgical appliances used as an integral part of an operation. 3. X-rays. 4. Pathology. 5. Physiotherapy. 6. Electrocardiogram. 7. ECT treatment. 8. Radiotherapy and chemotherapy as an in-patient or out-patient.	Up to £500	Up to £400
Nursing at home. The full range of services of a State Registered or State Approved nurse for nursing a bed patient at home for up to 26 weeks.	Full refund	Full refund
Out-patient benefits. 1. In-patient benefits will be paid for surgical operations, radiotherapy and chemotherapy provided on an out-patient basis. 2. Benefits are payable up to the maximum level for each subscription year for consultations, X-rays, pathology tests, physiotherapy and convalescence.	Benefits payable as for in-patient treatment	Benefits payable as for in-patient treatment
Special grants. If in-patient treatment is received in a public or private ward under the National Health Service, PPP will make a grant towards related expenses such as a recuperative holiday or additional home help.	Special grant payable	Special grant payable

"The benefits are available to each member of the family in a family environment."

"There's no limit on any one item within the total sum."

"The 26 weeks for nursing at home is in addition to the 26 weeks quoted for room benefits and physician's fees."

"That can't be too!"

"Per week for up to 26 weeks—that's a lot of cover when you work it out."

"Built in inflation protection—that's got to be attractive these days."

"Now that's good cover and also provides extra benefits for the most complex surgery!"

"This is a good feature—who wants to stay in hospital if they can avoid it?"

We think you'll agree that new Premier Health Plan provides outstanding cover. It has built-in inflation protection against increases in NHS pay bed charges. And it offers two benefit and subscription levels so that you can choose which is right for you.

Premier Health Plan is for individuals, families and companies alike. Company groups can be formed with only 5 subscribers and discounts of 25% and 35% are available depending on the size of the group.

If you would like to know more about PPP company group

Some example subscription rates

Family covered by Premier Health Plan 1. Father aged 37 plus wife and 3 children under 20. Total annual subscription paid by direct debit £76.50. Less than 13 pence per person per day.	Single person covered by Premier Health Plan 2. Aged 27. Annual subscription paid by direct debit £76.50. Less than 22 pence per day.	For some other similar schemes you could pay a great deal more than the annual rate for Premier Health Plan. What's more, company group members can qualify for discounts of up to 35% off our basic rates, and subscriptions paid by employers are allowable for tax purposes.
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schemes, individual enrolments or, as an existing subscriber, would like to know how to transfer to Premier Health Plan, simply complete the coupon and tick the appropriate box.

To: Private Patients Plan, FREEPOST, TUNBRIDGE WELLS, Kent TN11 2YZ. (No postage required)

Please send me details of PPP company group schemes individual or family enrolment how to transfer to Premier Health Plan (my PPP Registration number is)

Name (fill under 50 lines if age)

Company (if applicable)

Address

Private Patients Plan (PPP)

Established 1949. Private Patients Plan is organised by the Private Patients Association for Medical Care Limited.

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MONDAY, MAY 16, 1977

French steel's economic and political stresses

By DAVID CURRY in Paris

Drax is not the issue

THE GOVERNMENT is in danger of making a very serious mistake over the future of the turbine generator industry.

Lobbying

The industrial background is clear, though in danger of being obscured by the lobbying activities now in progress.

Guarantee

There are bound to be difficulties over valuing the Parsons business, but these should not be insuperable.

Preparations for Geneva

ISRAEL and the Arab states are gradually preparing their positions for the holding of a peace conference in Geneva by the end of the year.

Balance

Nevertheless, the possibility of a rapprochement between Cairo and Moscow is encouraging.

Erosion

Israel is keenly aware that the Arabs can bring great pressure to bear on the U.S.

It is a view often held in the U.K. that whereas British industry seems to lurch from one well-publicised crisis to another, French industry, thanks to a process of institutionalisation...

This belief will have to be revised as the list of French casualties of the recession grows longer without any evidence that French economic management has a more effective answer than anyone else's.

Paper and board, fertilisers, aerospace, shipbuilding, maritime transport, and textiles have all been promised particular Government attention.

Steel, which has remained entirely in private hands, is a very political problem. While steel companies do not figure among the nine big concerns earmarked for nationalisation...

Election prospects

Even among the Government coalition partners the Gaullist RPR is alarmed at the consequences of pre-electoral redundancies in the fact limited to around 4,000 of which more than half will be immigrant workers.

France ranks as the world's sixth largest steel producer. A workforce of around 133,000 last year made 23.2m. tonnes of steel representing two-thirds of capacity.

The Frs.12bn. programme is the third national steel plan since the mid-1960s.



THE GAME-PLAN FOR FRENCH STEEL (billions of francs) Table with columns for years 1976-1980 and rows for Investments, Debt, Financial charges, etc.

companies reflecting the extreme difficulty of persuading the Government to tolerate redundancies. At their lowest, orders sank to little more than a half of 1974 levels in France.

MEN AND MATTERS

Fair to be Rolls less? Despite the extravagant nature of the product, I imagine that any word association test starting "motor car" would be met with the response "Rolls-Royce".



The Motor Show proper, organised by the Society of Motor Manufacturers and Traders, is a manufacturers' show. The new Motorfair, like the regional motor exhibitions which have been around for years, will be principally a distributors event.

Rolls says that at a meeting with its distributors, it was agreed that Motorfair was not "our type of function," though the company's products have been seen at regional shows in the past.

Israel's election campaign has been characterised not only by a profusion of parties (no less than 22, including a "women's list" and a one-man party set up by a financier whose extradition is being sought by the French authorities) but also by the development of a variety of gimmicks.

Anyone dialling the service set up by the country's second largest party, the right wing Likud, contending for serious power in this week's poll, has been treated to a series of jokes and at times biting jokes.

Butler's back In 1970, Plessey ventured into the U.S. by acquiring a rapidly growing electronics company, with the unusual name of Alloys Unlimited.

Pacific markets in mind? It's NBNZ time

Whatever kind of business you are thinking of doing in the Pacific area you have to get used to a difference in time. One that means it can be tomorrow here when it is still today in NZ.

The people to help you do that, and to supply all the specialist local knowledge that so often means the difference between business success and failure, are at NBNZ - The National Bank of New Zealand.

Our experience goes back more than 100 years, and we are members of the Lloyds Bank Group. We have branches throughout New Zealand, offices in Tokyo, Singapore, and Manila and our main London office is in Moorgate.

Call 01-606 8311, when you are looking to the Pacific and to tomorrow's bank today.

The National Bank of New Zealand of New Zealand

THE NATIONAL BANK OF NEW ZEALAND LTD. 8 MOORGATE, LONDON EC6C 6DB TELEPHONE 01-606 8311

Observer

Leg up Bermundsey sbop sign: "These trousers will look a lot better on your legs than on our hands."

Handwritten note: 100/100

FINANCIAL TIMES SURVEY

Monday May 16 1977

South Korea

Apart from some anxiety about relations with the new U.S. Administration and the coming withdrawal of American ground forces, South Korea has much to encourage it. The economy continues to flourish, led by a thriving export trade, and prospects in that field are bright, given maintenance of reasonable access to world markets.

Standing on its own feet

By Douglas Ramsey

SOUTH KOREA'S bubble has not burst. In 1976 the Korean economy enjoyed an export boom: it still does. American troops were in the Republic: they still are. Korean borrowers could pay less for their money overseas than ever before: they still can. In short, Seoul can still count on the 1976 economic success without unduly worrying about the new American administration in Washington.

That is not to say that fundamental changes are not taking place in South Korea, because they are. President Carter has made it clear that he plans to withdraw American ground troops from the peninsula over a five-year period. Seoul has been given repeated guarantees of continued American air presence after that, but President Park Chung Hee must now cope with the fact that American lives will no longer be directly at stake in the event of an attack from North Korea. The prospect is still abhorrent to Mr. Park and his advisors, but few experts

think the protracted withdrawal of perhaps 32,000 men will occasion any strategic imbalance between north and south.

Besides, Mr. Park had already laid the groundwork, before Jimmy Carter's election, for a more self-reliant defence capability. Seoul no longer gets military grant assistance from the U.S. and is moving rapidly to shore up its own defence industry by making in the words of one official, "Everything but aeroplanes and nuclear bombs." The defence industries are slow off the ground, but South Korea's steel and machinery industry will speed development once the final defence blueprint is inked in later this year. And if present forecasts hold true, all this will be done without greatly increasing the present 6.3 per cent of GNP which goes on defence.

So if the economy grows as predicted, Seoul should have no trouble financing its defence (though arms buyers are already out searching for credit on some large weapons purchases due in 1978, possibly from European suppliers). Assuming, moreover, that Korea's strength at the end of the American troop pullout is substantially greater than North Korea's, it is doubtful that even Mr. Kim Il Sung in the north would be foolish enough to attempt a war. Washington appears convinced of this, and may attempt to "guarantee" the peace by a limited amount of diplomatic banter with Pyongyang. Seoul is positively disgusted at the prospect, but even its objections could be overridden: if diplomacy gets Pyongyang back to the conference table (suspended since 1973) in the hopes of writing a mutual non-aggression pact, proposed by President Park last January.

The earlier trauma in Seoul about President Carter's thoughts on ground troops has died down, but not so the underlying antagonism over the American leader's vocal defence of human rights. Seoul and Washington are still at odds over Mr. Park's treatment of political opponents inside South Korea, which the Carter Administration clearly views as a breach of human rights. But neither side has moved to a confrontation yet, leading some observers to deduce that there will not be one.

The U.S. Embassy has perhaps stepped up its contacts with opposition figures, primarily among intellectuals, but it still uses "quiet

diplomacy with the Park regime (so quiet, indeed, that some critics have called it "mute"). Mr. Park, for his part, has neither let up nor clamped down on his opponents since Mr. Carter's inauguration; or to put it more accurately, he has done both. The reduction of some prison sentences, including that of former presidential contender Kim Dae Jung, was followed by a crackdown on supporters of a new human rights declaration to commemorate the Myongdong declaration, which landed Mr. Kim and others in jail last year. "It blows hot and cold," says one student of political repression, and so far there has been no extreme swing in either direction. So by and large Mr. Park and Mr. Carter, without saying so, seem to have reached a sort of *modus vivendi*, and the Administration's refusal to let Congress tie further military appropriations to some gesture by Seoul on human rights has left officials in Seoul with an easier feeling about Mr. Carter than they had in January.

persists. The status quo in Korean-American relations is better than many were expecting up 47 per cent on a year ago after the rash of disclosures about Korean CIA activities in Washington and the early in 1976, and whereas \$10bn. Carter statements on troops may still not be enough to cover and human rights. Friction all South Korea's imports, the persists, but it may be that country will have at least the worst is over, and the sign of relief is most audible among foreign bankers who have been in cautious since January about balance of payments account, lending to South Korea. Caution is still there, but if enough in the way of technical assistance commissions, earn-

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If doubts over Korea's security had continued to make bankers jumpy, as they were in January and February, it would have tarnished Seoul's credit rating, which emerged from 1976 stronger than ever before. Similarly, had Washington gone for a showdown on human rights, and resorted to some sort of economic arm-twisting, the momentum carried over in the Korean economy would have faltered. Indeed, the bubble might have burst.

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ings repatriated from the Middle East and actual exports to offset the 1976 oil bill of \$1.5bn. But there is a real chance which Seoul does not boast about for political reasons) that the trade account will be in balance, too, as Korean exporters rush to supply goods for the estimated \$2.5bn. worth of Middle East construction contracts awarded to Korean companies in 1976. Contracts in the first quarter of 1977 kept up (\$880m.), and that it can get more than half its 1977 borrowings on medium- or long-term from official lenders.

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BASIC STATISTICS	
Area	38,022 sq. miles
Population (1975)	34.66m.
GNP (1975)	8,080bn. won
Per capita	261,982 won
Trade (1975)	
Imports	3,521bn. won
Exports	2,459bn. won
Imports from U.K.	152.6m.
Exports to U.K.	174.5m.
Trade (1976)	
Imports from U.K.	163m.
Exports to U.K.	113.6m.
Currency: Won	1=832 won

Nor will South Korea's exports be made any easier with time. Per capita income is still low at 8698 last year and the population is growing at 1.7 per cent a year. In the next five years the workforce will probably grow by about 3 per cent, a year to cater to the Korean war baby boom, so the country will have its hands full just creating new jobs. Yet job creation (that is, pushing labour-intensive industries) may prove detrimental to Korea's export targets, which call for rapid advance into new-technology industries with higher value-added content than Korea exports today. Coalescing the two goals will be made more difficult as wages increase and less developed countries start banging on South Korea's industrial back door—as South Korea has already done with Japan's textile industry.

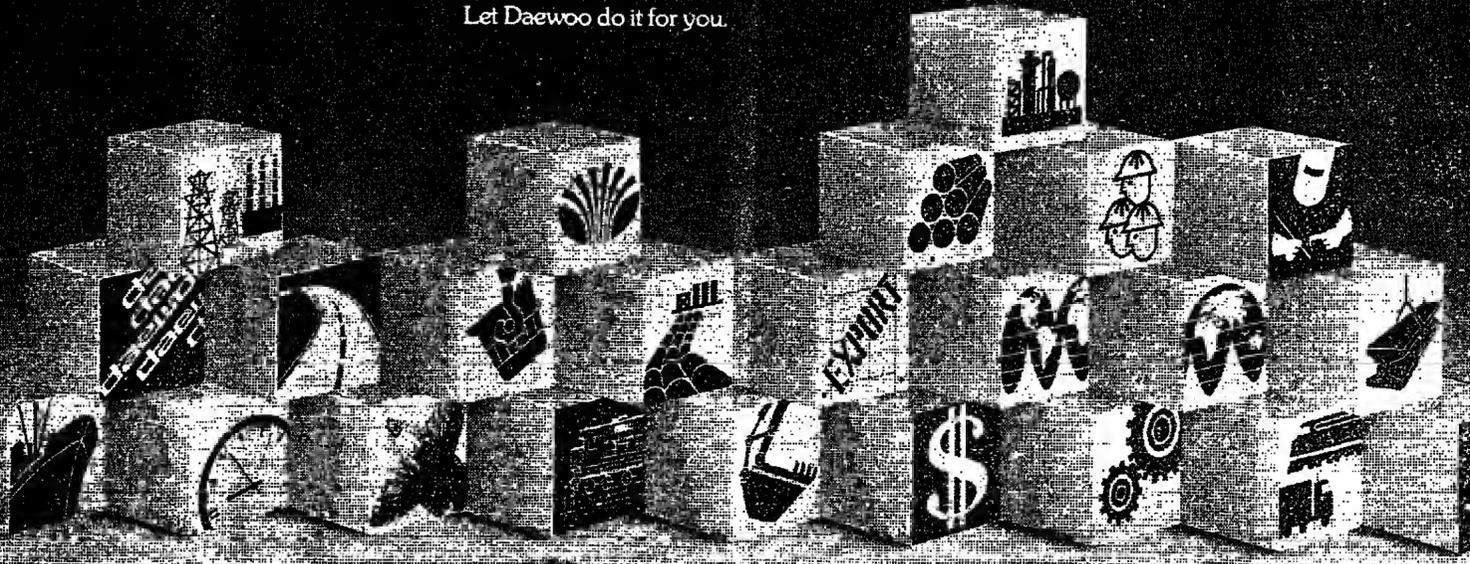
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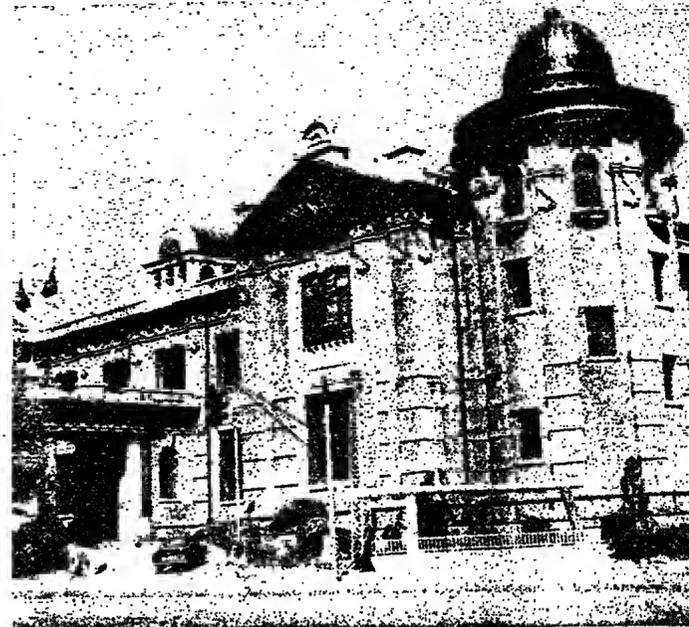


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SOUTH KOREA II

Banks expand rapidly at home and abroad



The Bank of Korea in Seoul.

A continuous drive is being made by all banks to induce more deposits, which at the end of January last had grown by 25 per cent., compared with the previous January. Deposits outstanding at all deposit banks — excluding the Korea Development Bank and the Export-Import Bank — totalled Won 3,780bn. (£1.53bn.).

A total of Won 16,950 (£20bn.), which represents 92 per cent. of the investment needed under the fourth five-year economic plan (1978-81) is planned to come from domestic savings. South Korea will count on foreign loans and equity investors for the remaining 7.6 per cent.

Complicated

South Korea's interest rate structure is one of the most complicated in the world, and a foreign bank branch is required to follow the same rates as the Korean banks. Basically, the rate on time deposits maturing in more than a year as fixed by the Monetary Board is 16.2 per cent. a year for lending, the general rate 17 per cent., with 19 per cent. for overdrafts.

In a move to reduce the impact of high interest rates on industry, a prime rate system was adopted last year under which best clients are offered rates one percentage point lower than normal. In addition, concessional rates are applied to various industries. Export industries in general are entitled to short-term loans at 8 per cent. to meet domestic fund needs and foreign exchange loans charged with 2.5 per cent. spread over the going Eurodollar rate to finance imports of raw materials needed for export manufacturing. The Authority over the bank community in Korea lies principally with the Bank of Korea, the central bank. Its principal means of credit control is the means of reserve requirements, bank rate and open-market operations. It is, however, virtually subordinate to the Ministry of Finance, as is the case in Japan. The Finance Minister chairs meetings of the Monetary Board, set up under the Bank of Korea Act as the supreme policy-making organ for the Korean banking system.

Samuel Kim, Seoul Correspondent

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RAPID EXPANSION and growing accommodation for foreign banks characterise South Korean banking, which is playing a vital role in the country's industrial development plans.

Growth of Korea's banking institutions has taken place both at home and abroad. In the past year four new banks were created, while existing banks increased their capital base.

The new institutions are (1) the Export-Import Bank of Korea; (2) Korea Associated Finance, a merchant bank incorporated in Hong Kong; (3) Korea Merchant Banking Corporation (KMBC), a 50-50 joint venture between Lazard Brothers of the U.K. and a group of Korean industrial companies; and (4) the Korea-Kuwait Banking Corporation, a joint-venture merchant bank between the Kuwait Financial Centre and Korea's Hyundai Group.

Exports

The Export-Import Bank, inaugurated last July with an initial capital of 55.8bn. won (£66m.) put up jointly by two State-owned banks, the Bank of Korea and the Korea Exchange Bank, aims mainly at financing medium- and long-term credit exports.

Most of its loan funds have so far been used to finance the export of ships built in Korean shipyards, mainly for European owners. In the future, equipment such as railway rolling stock and various kinds of plant are expected to require increased export financing. The Government recently approved the bank's plan to increase its total loan fund available this year to 260bn. won (£313m.) in order to meet rising demand. This represents 110bn. won more than originally allocated for this year.

The bank also finances imports of such key raw materials as scrap iron, copper, timber and rubber.

In addition to the three merchant banks created so far, at least two more are planned to be set-up overseas this year, including one opening in New York by August and the other to be established in Brussels jointly by the Korea Exchange Bank (KEB) and La Banque de Bruxelles Lambert. KEB is also

known to be planning another merchant bank in London. It has already created a merchant banking department in its London branch apparently to pave the way for a separate venture later.

On the other hand, at least two more foreign banks are scheduled to open branches in Seoul, bringing the number of foreign banks operating in the capital to 13. Lloyds Bank International of the U.K. and the Amex Bank of the U.S. were recently granted business licences by the Ministry of Finance.

Two or three other foreign banks, including the Continental Bank of Illinois, are reporting considering branch operations in Seoul too.

Foreign

The first foreign banks to come in were Chase Manhattan of the U.S. in July, 1967, and the Chartered Bank of the U.K. seven months later. The other nine operating in Seoul with one branch each (no more is permitted) are three American banks, the Citizens National (Citibank, Bank of America, Bank of First National Bank of Chicago), four Japanese (Bank of Tokyo, Mitsubishi Bank, Dai-ichi Kangyo) and two French (Banque Nationale de Paris and Banque de Indosuez).

On the domestic side the mainstay of commercial banking is the five city banks with national networks which all underwent expansion last year. Issued capital of the Chobeung Bank, for instance, has been raised from 15bn. won to 35bn. won (£30m.). The largest commercial bank is the Bank of Seoul and Trust financing long-term development Company, which came into being last August through the merger of the Bank of Seoul and the Korea Trust Bank. Its paid-up capital is 28.1bn. won was set up in 1967 to deal with the three other city all foreign exchange services banks are the Hanil Bank, the Korea First Bank and the Commercial Bank of Korea.

The five banks, partly owned by the State to the extent of between 25 and 33 per cent., represent more than a half of the country's banking market in terms of deposits. The Government, which exercises virtually full control through its dominant equity holdings, is pushing a plan to double their authorised capital to an average level of 50bn. won (£70.2m.) each within a year.

Besides the nationwide commercial banks, there are 10 privately owned provincial banks, relatively new and limited largely to their respective areas in business jurisdiction. At the end of January last, these local banks held 11 per cent. of the domestic deposit market.

An unusual feature of the Korean banking system is the existence of special banks wholly owned by the State. Created to meet special needs in major development areas, they include the Korea Development Bank, the Korea Exchange Bank, the Export-Import Bank of Korea, the Korea Housing Bank, the Citizens National Bank, the National Agricultural Bank, the National Fisheries Co-operatives Federation of Tokyo, the National Fisheries Co-operatives Federation of Kangyo, and two French Co-operatives (CFCC).

These banks are responsible chiefly for providing medium- and long-term loans to industry, agriculture and fisheries at preferential interest rates. Out of a total 4,530bn. won in outstanding loans through merger or increase in paid-up capital, the special-purpose banks of the Chobeung Bank, for instance, has been raised from 15bn. won to 35bn. won (£30m.).

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Lloyds Bank Group in Seoul.

Lloyds Bank International, the international bank in the Lloyds Bank Group, are pleased to announce that the opening of their branch in Seoul will take place during June 1977.

The new branch will provide a full range of banking services and will be responsible for the development of all aspects of the international business of the Lloyds Bank Group in the Republic of Korea.

Lloyds Bank International handles eurocurrency finance and has assisted Korean borrowers in financing their trade and capital investment projects.

The Lloyds Bank Group already has branches and offices throughout Western Europe and Latin America in addition to a strong presence in the Pacific Basin and the United States.

For further information, please contact our Far East Division in London.



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SOUTH KOREA III

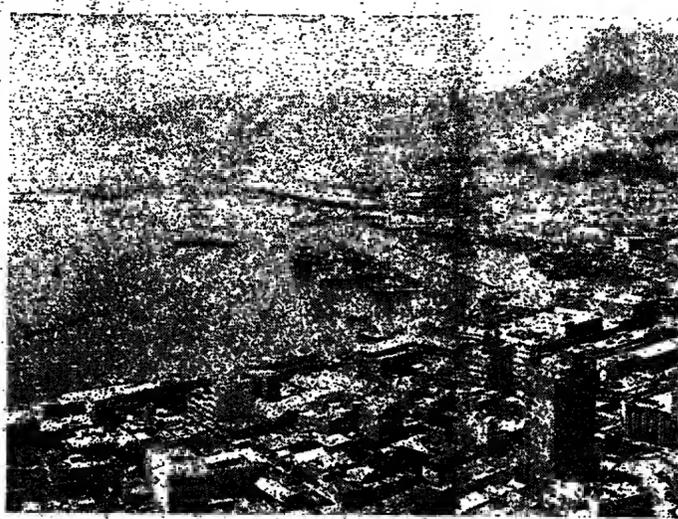
Economy begins to settle down

IT IS the paradox of South Korea that it is a near-industrial economy but cannot afford to talk like one.

What is more, the country still depends on official flows of medium- and long-term money, even though in the past six months Korean borrowers have got seven years as an accepted commercial maturity on the Euromarket.

Reserves

Put simply, if Seoul talks too much about its \$3.2bn. foreign exchange reserves at end-March, some official lenders may want to divert funds to other developing countries.



The port of Pusan.

have been enough fears in early 1977 about protectionism in overseas markets to justify a slackening of export production... The Ministry of Finance seems keen on reducing the rate of growth in money supply from over 30 per cent last year to near 20 per cent in 1977.

the manufacturing sector (still a third of Japan's). In short, the Korean economy is ticking over but will not be influenced greatly one way or the other by domestic demand and supply management policies.

Obviously Seoul knows this. Almost every projection, public or private, about growth in Korea's gross national product is first geared to anticipated exports and only secondarily to home demand.

Estimate

Korea is counting on average annual growth of exports over the next five years to be about 21 per cent, (28.9 per cent in the case of heavy manufactures) in order to sustain GNP growth at around 10 per cent.

Seoul's estimate for exports in 1977 is not overly cautious, and could yet move too high. Much depends on how industrial nations react to increasing levels of Korean imports.

Table with 6 columns: BALANCE OF PAYMENTS FORECAST 1976-80, \$m. Rows include 1976*, 1977, 1978, 1979, 1980, Trade balance, Exports, Imports, Invisibles balance, Net transfers, Current account balance.

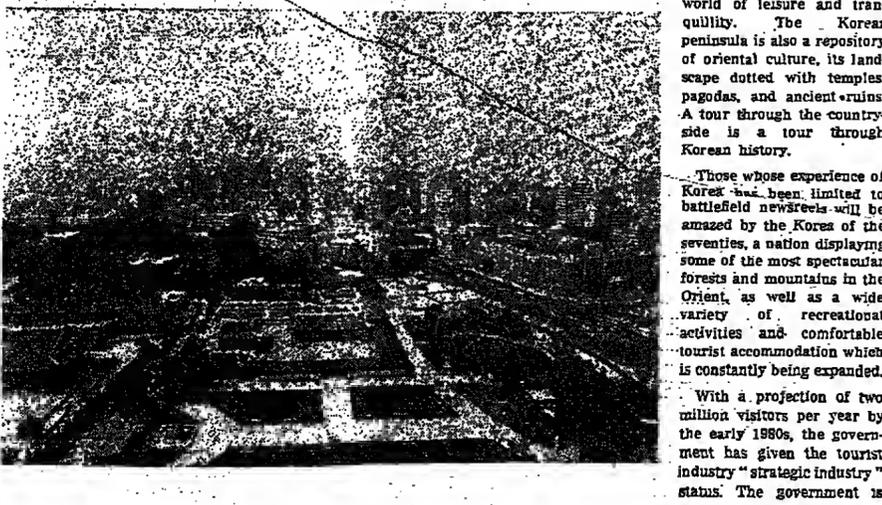
ing new markets, both factors contributing to a solid base of exports Korea did not then have. Seoul does not plan any great change in the ratio of gross investment to GNP in the next five years, but that implies a constantly rising sum total.

Forecast

The question arises: who is to finance Korea's ambitious investment? The EPB is fond of saying that in all Korea's needs can be met by domestic savings. In fact, there is little doubt that Korea very much needs about \$2.5bn. a year to sustain its programme precisely because the hoped-for rate of domestic savings (35 per cent marginal rate) seems too high.

Tourism soars in the Land of the Morning Calm

KOREA'S popularity as a tourist destination is taking a quantum leap forward as visitors from around the world discover that the "Land of the Morning Calm" has much to offer travellers seeking a world of difference.



actively supporting this with the construction of new hotels, resort complexes, and recreational facilities of all kinds, welcoming joint venture capitalisation for all of these areas.

The development of natural tourism resources is being accomplished through the establishment of ten "Tourist Estate" destinations. These destinations embrace every aspect of the Korean experience from cities to national parks.



And it will develop further. Airline service by Korean Airlines has been expanded to Los Angeles, Paris, Zurich, Tokyo, Manila, and Osaka, with a route to West Germany imminent.

One of the most unique and interesting projects to promote tourism is the Revisit Korea Programme which falls under the auspices of the Korea National Tourism Corporation and the Korean Veterans Association.

In extending the invitation, the president of the Korea National Tourism Corporation explains: "It's one way to express our appreciation But, maybe the most important message that the Republic of Korea has for the tourist is this, "You are welcome here."

KOREA NATIONAL TOURISM CORPORATION. HEAD OFFICE: 193-1, Kwangheon-dong, Chongno-kn, Seoul, Korea. C.P.O. Box 903, Korea. TEL: 70-7911/8. Frankfurt Office: Kaiserstrasse 22, Frankfurt a. M., Federal Republic of Germany. TEL: 0611-338239.

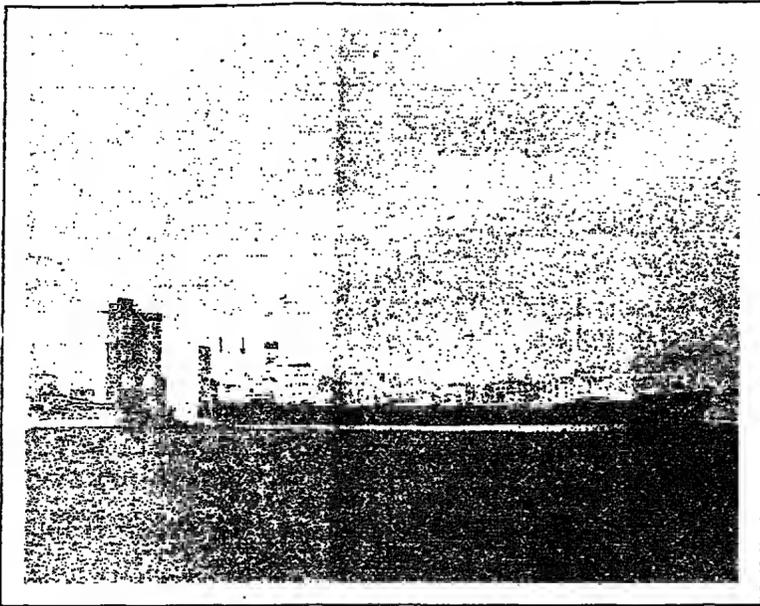
"Estate" will be developed to enhance its own unique features. Typical of these areas is the beautiful Sorak region on the East coast, a wilderness of cascading streams, fantastic rock formations, cliffs and forests.



(The above report is provided from Seoul by the Korean National Tourism Corporation.)

SOUTH KOREA IV

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- Orient Electric Co., Ltd.
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- Daegu Munhwa Broadcasting Co., Ltd.
- Ssangyong Cement (Singapore) Pte. Ltd.

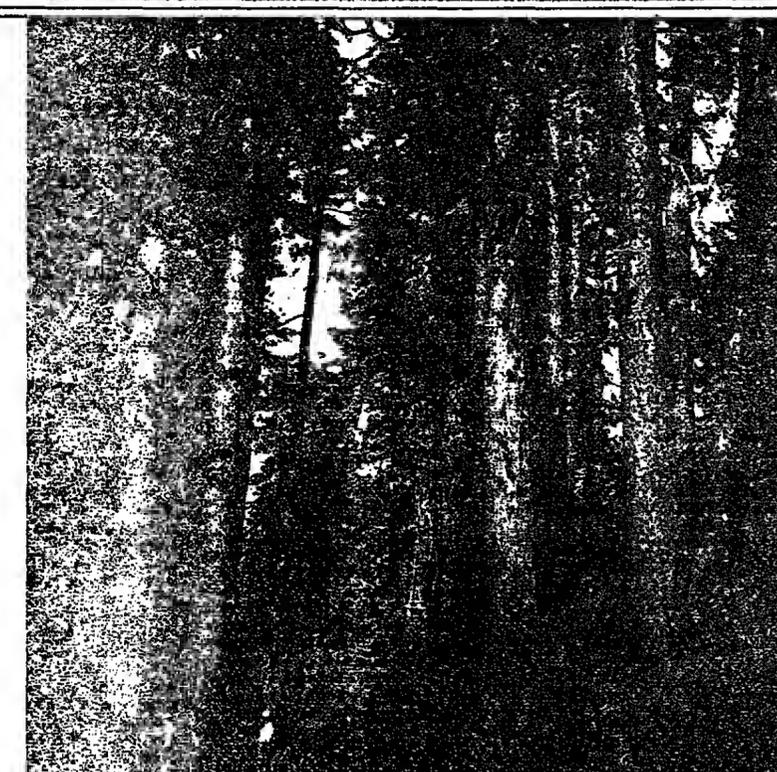
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SSANGYONG CORPORATION



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and to speak of a "miracle on the Han River."

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Business concerns
a major force

KOREA'S PRIVATE sector deserves no less thanks than the Government's economic technicians for the country's amazing export performance in 1976. In a country so geared to achieving targets (for exports, production, overseas offices or whatever), Korea's largely American-trained business leaders have largely met or exceeded those targets.

Critics of Korea's economic success usually start by saying that Government hands out favours to big business which does not in turn pass them along to the worker or small industry. Certainly the cards are stacked against small enterprises in the fourth Five-Year Plan, which places emphasis on heavy industry. What is more, there is no minimum wage and it is clear from nationwide income statistics that the rural earner is getting more, despite Korea's industrial export drive, than the urban worker. That said, any observer is struck by the vitality of Korean business and the efforts already underway to get the private economy away from protected industries and company sizes which may not be, in one businessman's term, "capable of world-class competition."

Preferences

Korea's general trading corporations (GTCs) are a case in point. Created in 1974 to build up major and integrated trading groups not unlike those of Japan, the GTCs now number 11, with a minimum paid-up capital of about \$2m, and selling at least \$45m. of exports. According to the original plan, companies which qualified in 1976 will be given GTC preferences in 1977, but will have them withdrawn in 1978 if they fail to meet the new 1977 requirements which are meant to separate the "profiteers" from those companies which are expanding and reinvesting on a long-term basis. Thus the 1977 sliding scale will require paid-up capital at a minimum of \$2.5m. and minimum exports of \$70m.

Not surprisingly, GTCs accounted for nearly 25 per cent. of exports in 1976, and a recent estimate suggests that the figure could go to 30 per cent. this year. Moreover, GTCs figured in the list of Korea's top 50 exporters last year: Samsung Daewoo Industrial, Hanil Synthetic Fibre, ICC Corporation, Ssangyong, Bando Trading and Sunkyong. The other GTCs are high on the list (Hyosung 12th, Samhwa 13th, Kumho 15th). Only Korea Trading International Inc. failed to make the top 50 export ranking (see accompanying table) and this is not surprising. The tough requirements for GTC status were waived in this one case when the Government attempted to glue several of the very small trading companies together, very much against the wishes of the big traders.

Still, not all exporters are GTCs, and not least because the benefits of GTC status



Modern buildings in Seoul.

come more from friendly relations with the Seoul government rather than specific tax or other advantages. Of course GTC status lets the 11 companies in on international tenders the moment Seoul knows about it, but that has not stopped Hyundai Construction, for instance, from becoming Korea's largest overseas contractor and third-ranked exporter without being a GTC. Similarly, its sister company Hyundai Shipbuilding Ltd. indeed, the entire Hyundai group) does not do business through a trading arm with GTC status, but the shipbuilding company managed to become Korea's biggest exporter in 1976. Pohang Iron and Steel, as well as Korea Oil Corporation, are further examples of big exporters with a sufficiently narrow range of products and outlets to disqualify them from GTC consideration.

Nonetheless, the GTCs have already become a major force in Korean industry after a series of successful takeovers which have let them keep pace with the sliding scale of minimum requirements for GTC status. Perhaps the most successful was the Daewoo purchase of a loss-making medium-sized machinery producer, Han-kook Machinery Industrial Co., which had a substantial Government shareholding. Daewoo now hopes to turn the company into one of Korea's leading machinery and steel concerns. Similarly, ICC Corporation is going into the heavy machinery business after taking over the falling Union Steel Company.

Other GTCs are scouting the market for acquisitions, or planning (like Samsung) to simply build up new subsidiaries where suitable takeovers cannot be arranged. Every major GTC, moreover, has an eye on the Pohang Iron and Steel complex which the government wants to hive off to private industry in the foreseeable future.

In short, Seoul has managed

Profits for listed companies did surprisingly well in 1976, with dividends averaging just over 20 per cent., even though 19 companies (instead of 14 the year before) did not pay dividends. By most accounts the most impressive gains were at Dong Ah Construction Industrial which, on the strength of overseas construction work, posted a net profit of over \$10m. and felt able to pay out 84 per cent. in gratis offerings to shareholders and cash dividends. Other top earners with payout ratios of over 40 per cent. include ICC Corporation and Pacific Chemical, but two of Korea's largest listed companies, Daewoo Industrial and Samsung (both GTCs), typically maintained their 1975 dividend levels of between 20 and 30 per cent., considered more than adequate for Korea's better known companies of international stature.

The figure is also substantially ahead of the average dividends paid in most Korean industries, led in 1976 by fisheries (35 per cent.), construction (27.5 per cent.), metals, mining, chemicals and oil (over 25 per cent.) and trailing the field paper, primary metals, services, non-ferrous metals, banking and insurance. With few exceptions Korea industries have also been thrown open to foreign ventures, even 100 per cent. operations where a domestic industry may not have any real prospect of meeting domestic consumption requirements (for instance, as will be met by Daewoo Chemicals caustic soda plant now under construction at Ulsan).

But the listing leaves many observers of Korean business guessing about just how vast the profits were in 1976 for Hyundai's construction and shipbuilding arms. But since Hyundai is now embarked on a major expansion plan for machinery equipment — and eventually plant export — it is unlikely that Seoul will try to force the breadwinners into publicly listing for a few more years.

D.F.

TOP 50 EXPORTERS

Ranking	Company	1976	1975	1975 Rank
1	Hyundai Shipbuilding	376	108	5
2	Samsung Co.	367	226	1
3	Hyundai Construction	342	3	163
4	Daewoo Industrial	315	170	2
5	Hanil Synthetic Fibre	218	137	3
6	ICC Corp.	197	63	10
7	Ssangyong	142	126	4
8	Bando Trading	135	30	38
9	Pohang Iron and Steel	132	105	6
10	Sunkyong Ltd.	124	64	8
11	Dainong	114	55	14
12	Hyosung Co.	113	34	31
13	Samhwa	106	25	42
14	Korea Oil Corp.	103	55	12
15	Kumho and Co.	99	34	32
16	Pang Rim Spinning	91	56	13
17	Union Moolsan	88	34	30
18	Hooam Oil Refinery	85	63	11
19	Tong Myung Timber	83	54	15
20	Sunkyong Teijin	83	63	9
21	Motorola	76	38	22
22	Chia Yang Chemical	72	38	21
23	Tong Yang Nylon	71	52	16
24	A-Nam Industrial	70	41	20
25	Taejon Leather Co.	63	46	18
26	Samdo Moolsan	61	42	19
27	Seoul Trading Co.	58	32	35
28	Signettes Korea	57	25	47
29	Tongkok Trading	55	25	24
30	Falchid	54	34	23
31	Tae Kwang Industrial	54	37	23
32	Taesong Lumber	53	36	26
33	Taehwa Rubber	52	28	40
34	Ilsin Steel	52	21	60
35	Cheongnam Spinning	50	31	37
36	Hyupjin Enterprise	47	36	27
37	Daehan Spinning	43	22	54
38	Namsun Moolsan	43	25	50
39	Yulsan Industrial	42	3	321
40	Samyang Sa	42	66	7
41	Chonbang Co.	40	32	36
42	Korea Tungsten Mining	39	27	43
43	Korea Nylon	38	26	46
44	Taeabang Lumber	38	27	44
45	Union Moolsan	38	34	45
46	Sammlsa Co.	37	14	88
47	Gold Star Co.	37	14	94
48	Dongil Textile	36	28	41
49	Daellm Industrial	33	16	73
50	Han Chang Textile	33	23	53

Source: Korea Newsreview.

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SOUTH KOREA V

Protectionist threat to exports

DESPITE THE growing overseas protectionism and external uncertainty, South Korean economic planners are confident of continued high growth in exports in the future through the diversification of markets and commodities. Their confidence is based on Korea's successful export performance over the past 15 years, helped by a combination of a competitive labour force, strong Government measures and efficient entrepreneurs.

South Korea is committed to industrialisation through high export growth, which President Park Chung-Hee believes is vital to the survival of his country, densely populated but short of marketable natural resources. The Korean economy grew by 10 per cent in real terms annually during 1961-76. Exports jumped from \$43m. in 1961 to \$8bn. in 1976, showing an average annual growth rate of 11 per cent. The fourth five-year economic plan which began this year calls for \$10bn. in exports for the first year and \$20bn. for the closing year of 1981. Annual growth rate will be 21 per cent during this period.

Resistance

The rapid expansion, however, has created protectionist resistance against Korean products in developed countries flooded with low-priced textiles, shoes and other Korean goods. The Ministry of Commerce and Industry says that a total of 38 Korean products are now subject to import restrictions in 18 countries, including the U.S. and Japan. The two countries combined to account for 70.1 per cent of Korea's total exports in 1973, but this has since sunk to 55 per cent. In 1976, the U.S. is Korea's biggest export market, followed by Japan. In contrast, Korea's European exports have doubled since 1970 to 17 per cent. In 1976, the rich Middle East has rapidly emerged as the country's fourth largest regional market after Europe, taking 11 per cent. In 1976, compared with almost nothing a few years ago, Korean exports to the U.S. were \$2.6bn. in 1976, up 42 per cent from a year ago, followed by Japan \$1.8bn. (up 1979 per cent.), Europe \$1.4bn.

comprising Government officials and business executives, to the U.S. to sign procurement contracts valued at about \$200m. This was in response to American pressures on Korea to buy more American goods. They had cited the \$500m. trade deficit with Korea last year and pointed to the improvement in the Korean economy. The mission, however, as one Seoul official admitted, was also intended to calm the intensifying American protectionist sentiments against Korean products. A far cry from a few years earlier when the U.S. doled out aid money to shore up the Korean economy.

Britain also asked South Korea to bring down its import barriers and buy more British goods when British Trade Secretary, Edmund Dell was in the country last month. Mr. Dell told a news conference that he had found good opportunities for British industry to take part in Korea's fourth five-year plan, which calls for massive plant investment with foreign financing. He cited the possible supply of machinery in the fields of electronics, power generation, heavy chemicals, iron and steel non-ferrous metals, petrochemicals and marine equipment.

The Korean side expressed concern over the British quotas on imports of sacks and bags of woven polyolefin and the growing pressure for import restrictions on footwear and iron and steel products. Korea's fourth five-year plan calls for shifting away from

labour-intensive light industry, led by textiles, to technology-intensive heavy and chemical industry such as shipbuilding, steel, machinery, plants and electronics. To realise this, Korea intends to obtain modern, sophisticated technology directly from Europe and North America, not through Japan as has been the case in the past. Korea officials claim that they have no problems in securing about \$10bn. in foreign capital to finance heavy and chemical plant projects under the current five-year plan.

Korea's manufactured exports accounted for only 20 per cent of the total exports in 1961. The figure rose to 89 per cent by 1976, vividly showing that Korea has changed from a marginal agricultural economy to an industrial one, though still labour-intensive. Korea has outpaced many of its competitors and raised its share of developing countries' exports of manufactured goods from 2 per cent in 1965 to about 18 per cent. In 1976, according to a World Bank report.

fact that they are aiming to achieve most of the plan's major goals a year early in 1980. In a recent confidential 100-page report, the World Bank generally praised the new five-year plan, finding its "priorities, strategy and programmes to be sound." But the report warned the Koreans might have seriously underestimated investment requirements, while at the same time over estimating national savings flows.

Investment

The plan projects gross investment of \$37bn. or 26.2 per cent of GNP, and national savings of \$34bn. or 24.2 per cent of GNP over the five-year period. The World Bank report said that to contain inflation (which the plan foresees falling to an annual rate of 7 per cent. by 1979, from the recent level of around 12 per cent.) Korea must, among other measures, slow the rate of growth of nominal wages, which has been running at around 25 per cent. in recent years. And as regards the payments balance, the report said the

of supplies and prices which are beyond its control. The path towards development of heavy industry may not be easy. The ambitious Korean shipbuilding industry has run into the problem of uncertain international demand, although there may be outlets for other heavy industry products, particularly plant and construction materials. Korea's construction industry has picked up billions of dollars in Arab and other developing countries in the past few years.

One factor cannot be overlooked in discussing the rapid Korean export growth. That is the Park Government's economic policy which gives top priority to export expansion. There are now about 2,000 licensed local export firms, including 11 general trading houses, each of which met the Government criterion of exporting more than \$150m. last year. Hyundai Shipbuilding and Heavy Industries topped the list with exports totalling \$376m.

Probably the most fundamental factor has been the role of competent workers, who are abundantly available at low cost. A World Bank report says that manufacturing wage levels in South Korea are one-fifth of those in Japan, cheaper than in Taiwan, Singapore and Hong Kong, and higher than in the Philippines. It adds that Korean labour productivity levels compare favourably with the latter and are probably not too far behind those of Japan in the traditional industries.

Targets

The World Bank report found that the export targets are attainable, provided OECD economies grow at an average of about 5 per cent. a year, and no additional restrictions are placed on Korean exports by industrialised countries. Another imponderable in the export area is the degree of success the Koreans have in altering the structure of their exports. Recognising that their textiles and clothing are bound to face increasingly stiff competition from other developing countries, Korea's planners are attempting to move into exports that are more "skill intensive" — that is, those requiring more advanced levels of technology and trained labour, which are becoming uneconomical in industrialised

Henry Ahn

Ambitious plans for growth

"WE ADVANCED boldly in the past," says the preface to the South Korean Government's fourth five-year economic plan: "We will continue to advance boldly now." The "past" is by now a well-known, and truly outstanding, and economic success story: 15 years of 10 per cent-plus average annual real-economic growth, which has transformed Korea from one of the world's poorest developing countries into what the World Bank calls "a semi-industrialised, middle-income nation."

The "now" refers to the central strategy of the new 1977-81 plan: average annual real gross national product growth of 9.2 per cent, with exports continuing to lead the way, and annual expansion of 16 per cent. At 1975 prices, GNP is meant to expand to \$33.5bn. from \$21.6bn. at the end of 1976. The current account balance of payments deficit is expected to be eliminated after next year, and a surplus of \$1.2bn. is foreseen in 1981. The continuing rapid growth strategy is viewed as essential in light of the major objectives of strengthening the balance of payments; increasing employ-

ment (the plan provides for the creation of two million new jobs in five years—but given the expected increase in the nation's workforce the unemployment rate will still remain little changed at slightly under 4 per cent.) and "improving" the availability of essential services. The planners have also had to take into account the vital need to diversify the nation's industrial structure, to lay the groundwork for sustained export growth into the 1980s and beyond. Can Korea keep it up? Together with their boldness, Korean government planners themselves are well aware that the price of failures in economic policy making is rising proportionately with the increasing complexity of national economic processes.

But fresh from their success in surviving the potentially disastrous effect on the balance of payments of the oil crisis of 1973 (Korea had to raise \$1.6bn. in short-term overseas borrowings to finance huge current account deficits in 1974-75), the planners in Seoul these days fairly bubble with confidence. Some make no secret of the

The attitudes of the U.S. and Japan are crucial, since these two countries together still account for over 50 per cent. of total Korean exports. But it should be noted that the figure is down from around 70 per cent. at 1973, as Korea has had great success in diversifying into new export markets—namely the EEC and the Middle East. Another major imponderable, of course, is the attitude of foreign lenders and investors in Korea. Perhaps the major question mark, however, is not economic at all, but political: the stability of the Park Chung-Hee regime, and the effect of the proposed pull-out of U.S. troops.

Korea's economic planners insist they could handle the increase in defence spending which a U.S. troop pull-out would mean, without upsetting the plan's main strategy. In the 10 years to 1975, defence spending took about 4.6 per cent. of GNP. But on the wider political implications of the absence of U.S. ground forces in the South, economic planners must take a back seat.

By a Correspondent

IP Asia
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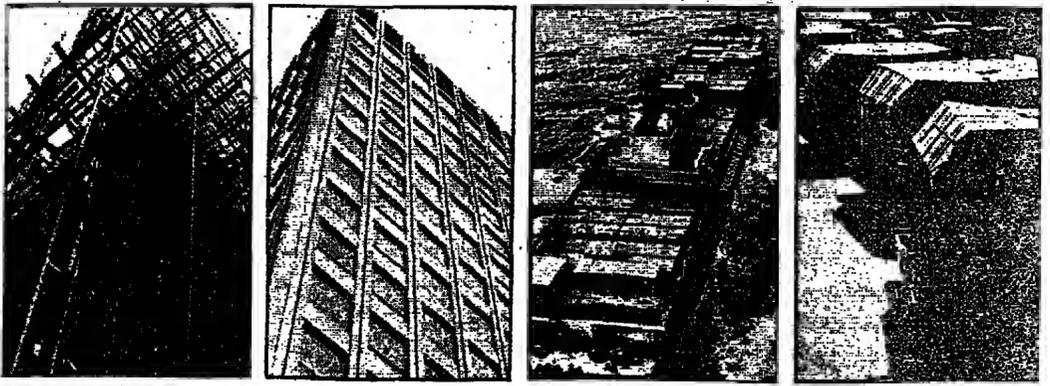
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SOUTH KOREA VI

Major industries

Textiles

"THE KOREAN polyester suit you buy for 35 quid in London," the Lancashire textile technician boasts, "is still overpriced." The material that goes into the suit costs £2.50, and production costs push the tab to £9 before the typical Korean manufacturer takes his £1 mark-up. By the time the suit gets to London, it is a good £7 cheaper than the same garment made in the U.K.—and can compete hands down with low-cost exporters in Europe. The technician, on loan to Korean manufacturers to advise on specifications for the U.K. market, is not sorry that Korea is undercutting British manufacturers. "I've worked in Britain, Romania and Portugal," he says, "and as I see it, the man in the street gets the best for his money."

That money is pouring into Korea's foreign exchange coffers, to the tune of about \$2.78bn. in 1976, up 46 per cent in one year and almost six times the figure for 1971. In between, Korean manufacturers have drummed the Japanese out of low and medium-quality textiles, and in the process lured a substantial amount of Japanese investment into the Korean industry. And now, over the next five years, Seoul's textile giants hope to modernise the industry in time to keep one step ahead of other

developing countries, who hope to use textiles as a light industry stepping-stone to industrial development. Textiles and clothing are, and will remain, the centrepiece of Korean industry. They account for 30 per cent of employment in the manufacturing sector, 25 per cent of output and 35 per cent of all Korea's exports last year. Vast amounts of cash will go into Korea's heavy and chemical industries in the next five years, but it will make only a dent in the economy's reliance on the textile business. Indeed, even in 1981, Seoul expects that textiles will still constitute the biggest single export market, at around 26 per cent of the total (compared to its closest rival, electronics, with 13.7 per cent).

In 1977 Korea is looking forward to a 20 per cent rise in textile exports to \$3.5bn, and there seems little readiness in Seoul to downgrade the estimate in the face of protectionist threats in prime overseas markets, notably Europe and the U.S. Korea is lobbying for changes in the GATT Multi-fibre Agreement, but has already calculated its export strategy for this year on the basis of existing import restraints (quotas on 41 items into the United States, for instance). The strategy involves (a) guiding the expansion of key production facilities; and (b)



Textile production at a Daewoo plant at Pusan.

mapping out a long-term investment programme for the industry.

Expansion quotas (for strategic items) have already been filled for 1977. In the acrylic staple fibre sector, the two companies have been authorised to expand: Taegwang Industrial and Hanil Synthetic Fiber (both by 26 tons daily capacity). The total will be tacked on to existing production of 223 tons a day. The rest of the synthetic fibre sector is free to invest, but there are no major plans this year greatly to expand the 25 or so chemical fibre plants which, together, have a 457 tons capacity in staple fibre, and 299 tons in filament. But by 1981, Seoul anticipates synthetic fibre capacity will have grown by 75 per cent, to around 1,370 tons a day, with the biggest increase in polyester yarn.

Cotton yarn now comes within the jurisdiction of industry quotas, and the big 16 companies (led by Tai Nong) have been allowed a major expansion in 1977 (628,592 new spindles on top of the industry's total of 2m. at the beginning of last year). Seoul has also agreed the expansion of weaving facilities, and by 1981 the plan calls

for an increase in cotton yarn capacity to 3.3m. spindles (75 per cent) and in cotton cloth to 73,000 units (up 40 per cent).

Korea's most modern textile plants are for wool textiles (about 90 per cent of the machines installed since 1966); it is not true for their dye facilities, and there is a very low loom-to-spindles ratio. Nevertheless, Seoul is aiming for a 72 per cent increase in yarn capacity by 1981 and a 50 per cent rise in wool cloth capacity.

But beware: two things crop up the Korean textile industry. First, a new batch of quantitative restrictions ably do only so much to diversify into Third-World markets where Korean labour is coping less cheaply and gradually eat up the cost margin which makes Korean textiles such a good buy. The average wage in a textile factory is £35 a month, and is rising by as much as 20 per cent a year. So Korea's textile makers are working against

D.R.

Cars

"CARS WERE our big mistake," a leading South Korean businessman said recently. That sort of statement has yet to be heard from the presidents of Korea's major car companies, but it is not untypical of views outside the industry. Says another outsider: "We spent too much on cars and not enough on other import substitution."

So what's wrong with Korea's vehicle industry? Well, for a start \$250m. has been spent on new capacity in the past three years, but Korea's motor plants are working at less than a third of capacity.

A year ago Hyundai Motor Company began to build the Pony, the compact, home-grown passenger car which is now taking about 60 per cent of sales at home, and there are plans to boost exports from last year's 1,500 to 10,000 this year.

So why is everyone so worried? In fact, there are long-term constraints on Pony sales abroad, notably in its inability to meet the harsh Japanese and U.S. emission control requirements. Moreover, Hyundai hopes to find a small market in Britain and the rest of the EEC, but there have already been moves to prevent a major sales drive.

If exports of Korean cars are in fact made difficult because of import barriers in Europe, there is little doubt that the critics of Korea's ambitious car industry will prove correct after all. The reason is that Seoul is not ready to expand the domestic car market sufficiently to let the car makers have a large enough home demand to permit exports at "marginal" prices.

The home market in 1976 took around 27,300 cars and 20,500 commercial vehicles, but industry experts think that the passenger car market (if freed from some of the current exorbitantly high levels of taxation) could mushroom to 150,000 units a year. But Seoul is not yet ready to let go those tax revenues, and at the same time cause greater congestion than already exists on Seoul's streets. Moreover, the Government has mapped out its priorities for 1977 to 1981—and the car industry is not one of them.

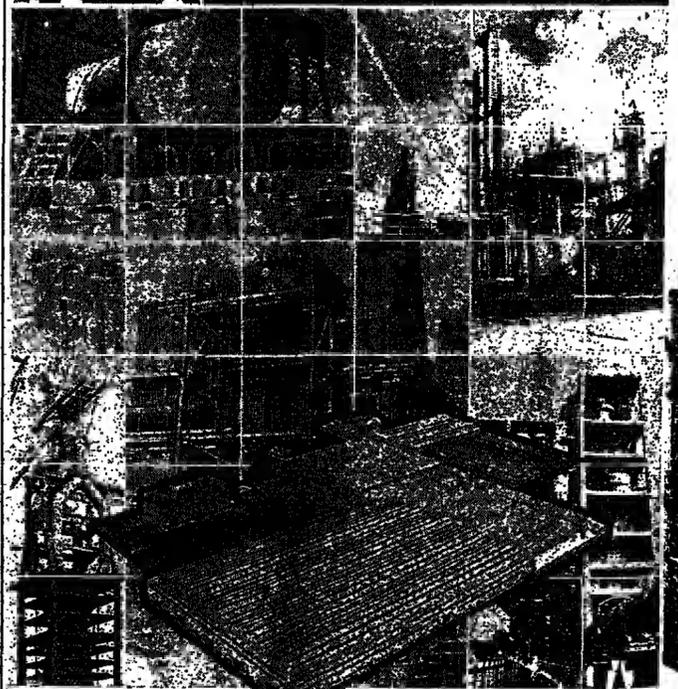
The Pony, nevertheless, has been a qualified success from the start. It is the first car in Korea not assembled on the basis of a foreign licence, so although the design is Italian and much of the engineering British, the Pony is the first "Korean" car. Moreover, the company is making a profit (notably on its output of Ford trucks and Mercedes buses) so there is little doubt it can pay back the capital costs of the Pony plant. Repayments start this year.

Hyundai's major competitor, Kia Industrial, began in the 1960s in a tie-up with Honda Motor of Japan, branched out into trucks and buses, then expanded production of its "Brisa" compact after 1974 from 7,200 units capacity to 24,000. Last year Kia sold only 7,000 Brisas in Korea (less than in 1975) so it too is hoplog for a big expansion of exports (mostly to the Middle East) from this year on. Both Hyundai and Kia, meantime, have expanded their truck capacity to 20,000 and 24,000 units respectively, from a combined capacity in 1973 of 15,000 units.

Korea's two smaller car

makers, Saehan Motor (50-50 between General Motors and the Korea Development Bank) and Asia Motor (Korean with a technology tie-up with Fiat) have kept capacity constant. Saehan had 13 per cent of the car market last year with its assembled GM cars, and Asia Motor about half that. Both now are looking to expand their heavy commercial vehicle departments, which report some success in selling to the Middle East.

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SOUTH KOREA VII

Engineering

SOUTH KOREA is pressing ahead vigorously with a programme to develop an engineering and plant equipment industry. It is the latest step in the country's shift of emphasis from light labour-intensive industries to the heavy and chemical sectors that began in 1972.

Already some plant equipment and other engineering products have emerged as promising export items. The Government has set an export target for this year of \$410m.

As textiles, shoes and electronic goods are subject to import quotas and keener competition in the world's major markets, South Korea, following the pattern of neighbouring Japan in the early 1960s, places a growing hope on engineering exports in the future.

In its recently launched fourth five-year Economic Plan the Government has three aims in giving top priority to the engineering industry.

The first is technological advancement through local production of sophisticated machinery. The second is connected with the scheme for gradual change in the structure of exports. The third, not as openly publicised as the other two, is linked to the development of the defence industry.

Without a fully fledged engineering industry, South Korea cannot hope to produce the various weapons for its own defence capability against possible North Korean aggression. The need has become more urgent now that President Jimmy Carter has left no doubt about his intention to pull out American ground troops from South Korea within four or five years.

The Seoul Government initiated a five-year comprehensive plan to develop machine industry in 1975 which calls for increasing the domestic supply of engineering goods from 20 per cent. in 1975 to 70 per cent. this year and to 100 per cent. by 1979.

The nucleus of the plan is the construction of a large engineering industrial estate in Changwon along the south coast near Masan. Work began in 1974, with the first phase scheduled to be completed next year. According to Choi Chong-yong, administrator of the estate, more than 100 plants will be accommodated on a site of 1.7 square kilometres by 1981.

accounting for one-half of the country's total engineering output and exports by that time. With about a half of its infrastructure completed so far, a total of 48 companies have been granted entry to the complex, with 19 of them in full operation already. Among the companies building plants there are 11 joint ventures, eight with Japanese partners, two with British participation and one with an American company. Foreign equity totals \$68m.

The first phase of construction, including plants, is estimated to cost a total of \$364.5m, including \$330m. in foreign loans and investment. It will have a combined production capacity of \$2.2bn. of machinery of which \$408m. will be going for export by the end of next year. It will also create 61,000 new jobs, about a quarter of the total employment by the country's engineering industry.

The success of these ventures, and of the country's engineering industry development programme as a whole, will depend secondly on the two factors—technical manpower and adequate financing.

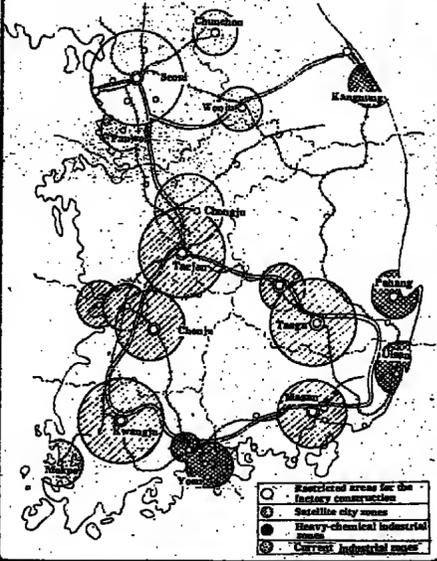
The Government plans to make 100bn. won (\$200m.) of loans available to the industry each year. Within less than two years of starting its engineering industry development programmes, the country is not only building thermal power plants at home with 100 per cent. locally made equipment but is also exporting some plant facilities and technical know-how.

Production of most light industry factories has now been fully localised, while substitution for imported machinery is possible for up to 50 per cent. of the equipment used in cement and fertiliser production, steel processing and petroleum-related industries.

In addition to textile plants already being exported, contracts have recently been signed or negotiations are under way for the sale of a zinc refinery to Thailand, a paper manufacturing plant to Colombia, a soda ash plant to Peru, a pulp plant to New Zealand, a biscuit factory to the United Arab Emirates, and power and cement plants to other Middle East countries.

Samuel Kim

URBAN INDUSTRIAL ZONES



Electronics

IF TEXTILES are the declining mainstay of South Korean industry and hence exports, electronics promise to be the rising one for a good many years to come. In five short years, production has quintupled, and in 1976 alone Korea's exports of electronic products (equipment plus components) were up more than 85 per cent. to \$970m.

Total production rose to about \$1.3bn., outstripping the "planned" increases by as much as 40 per cent. That sort of growth will not happen again in 1977, nor did it happen overnight. The Government set up the Gumil electronics industry base in 1973; so far 31 companies have begun operations and a further 24 factories are under construction. (Additionally, some 25 companies from other industries have been given permits to open build at the Gumil site.) Seoul Korea's electronics industry also decided early on to open foreign investors, letting them set up on a 100 per cent. basis in an all-out effort to attract the newest technology to the Korean industry. To-day, some 100,000 people are employed by the industry in over 500 companies (304 Korean, 43 foreign and 153 joint ventures). Of these, about 222 companies exported electronic goods in 1976—110 Korean firms, 82 foreign subsidiaries, and 30 joint ventures.

The foreign presence in Korea's electronics industry is, in fact, greater than the number of companies would indicate. In production capacity worth over \$1.5bn. a year (on top of the existing capacity), the Government of Korea's electronics exports last year, and foreign companies also made money on the 23 per cent. of exports from joint ventures. Fears of protectionism abroad have led the industry to scale down its previously ambitious plans for \$1.4bn. worth of exports in 1977 to \$1.2bn., with a suggested 700,000 TV sets by 1978 but Korea in fact produced 1.5m. The target for integrated circuits was 173m. in 1976, but Korea manufactured 394m. instead. Now Korea has targets for computers, semi-conductors and other advanced electronics, and so far the plan is proceeding like clockwork. And since Korea's exports of electronic timepieces in 1976 were up five times at \$42m. on the year before, that sort of clockwork can work.

D.R.

Shipbuilding

IN MID-APRIL, President Park's council of economic advisors took a hard look at Korea's shipbuilding industry. At the end of the day, they agreed to proceed with the planned expansion of capacity from the present 2.7m. gross tons to 4.25m. tons in 1981. In the minority were a few critics of putting so much foreign exchange into the one Korean industry which is already swamped with too much capacity. Indeed, in 1976 Korean shipyards produced only 654,000 gross tons on a theoretical capacity of 2.6m. tons, so even by the Government's own arithmetic, it shows the Korean yards working at far less than 50 per cent. capacity.

Seoul had a hard decision to take: whether or not to complete two new shipyards now under construction. One is the medium-size Jukdo shipyard, being built by the Woonjin Shipbuilding Company. The 100,000 g.t. capacity yard was scheduled for completion this summer, but work had almost halted at the site in recent months. Last month, the Samsung Group—Korea's largest trading house—took over the controlling share in the joint venture from the ailing Chinha Group. (The Jukdo yard will be part-owned by Marubeni and Hakodate, both Japanese companies with 13 per cent. shares each). The \$8m. project may now be completed, since the Government has decided to continue subsidies, but probably not before the end of 1977.

By far the bigger gamble is the Okpo Shipyard, capable of building supertankers, cargo vessels, drilling rigs and floating factories. Okpo's capacity will be 1.2m. tons a year, with a maximum 1m. dwt. ship capability. The yard has been under construction by the Korea Shipbuilding and Engineering Corporation (KSEC) since October, 1973, although as at Jukdo, building activity had virtually stopped in recent months when Seoul was known to be reassessing the country's shipbuilding programme. Now, work will proceed on Okpo but the yard's completion may be delayed six months until summer of 1978 in order to spread out new capacity in the face of sluggish world demand for new ships.

Are Okpo and Jukdo white elephants? Many economists and businessmen think so, especially because Seoul is already lumbered with large-scale subsidies to existing yards to keep them afloat. This year the Korean Export Import Bank and Korean Development Bank have \$300m. to spend in the way of export credit, and most of it will go to finance ship sales. The KDB also has about \$10m. to tide shipyards over when they cannot meet operating expenditure. And the Government gives shipbuilders a bargain price for their steel purchases. All courtesy of the taxpayer.

Seoul is gambling that the world market for ships and assorted offshore structures will pick up in 1978 or 1979. It has even upgraded its forecast for ship exports in 1981 from \$900m. to \$1.2bn. from roughly \$400m. anticipated this year. Meanwhile, Seoul is steaming full speed ahead with plans to encourage Korean shipowners to "buy Korean," as well as to expand ship repair, ship supply and port facilities.

In 1976, Korean shipyards built only 50,000 g.r.t. for domestic shipowners, while the country imported 490,000 g.r.t. (mostly secondhand ships). Now Seoul has "banned" in principle the import of newly built ships, and is warning shipowners away from buying abroad. The aim is to bolster Korean shipping from the existing 2.6m. tons to 6m. tons by 1981 and at the same time have most of the new shipping built by Korean yards. To do so, the Government has undertaken to subsidise owners and the yards; already \$40m. have been set aside in 1977 to help finance four new orders at Hyundai and two at KSEC. Furthermore, Seoul is working out a whole batch of new measures to lure shipowners into placing domestic orders.

Regardless of how well the shipbuilding sector fares, the Government has already launched a major expansion plan for its port facilities in an effort to boost handling capacity from 34m. tons to 93m. tons (and berth capacity from 129 to 203 vessels). The investment is reckoned at about \$300m. over five years, or double the amount spent between 1972 and 1976, with more than a third of the total going on Pusan port (including \$80m. from the World Bank and \$35m. from the Saudi Development Fund).

D.R.

Steel

SOUTH KOREA'S earliest gamble on heavy industry badly despite a slump in world steel prices. Last year Korea managed to sell \$415m. worth of steel overseas, up 40 per cent. on the previous year and As a first step, the Government decided to get into the business and set up the Pohang Iron and Steel Company (Posco). Posco's integrated mill of 1m. tonnes capacity, finished in 1973, was expanded and completed in 1976, giving Posco a basic crude steel capacity of 2.6m. tonnes a year.

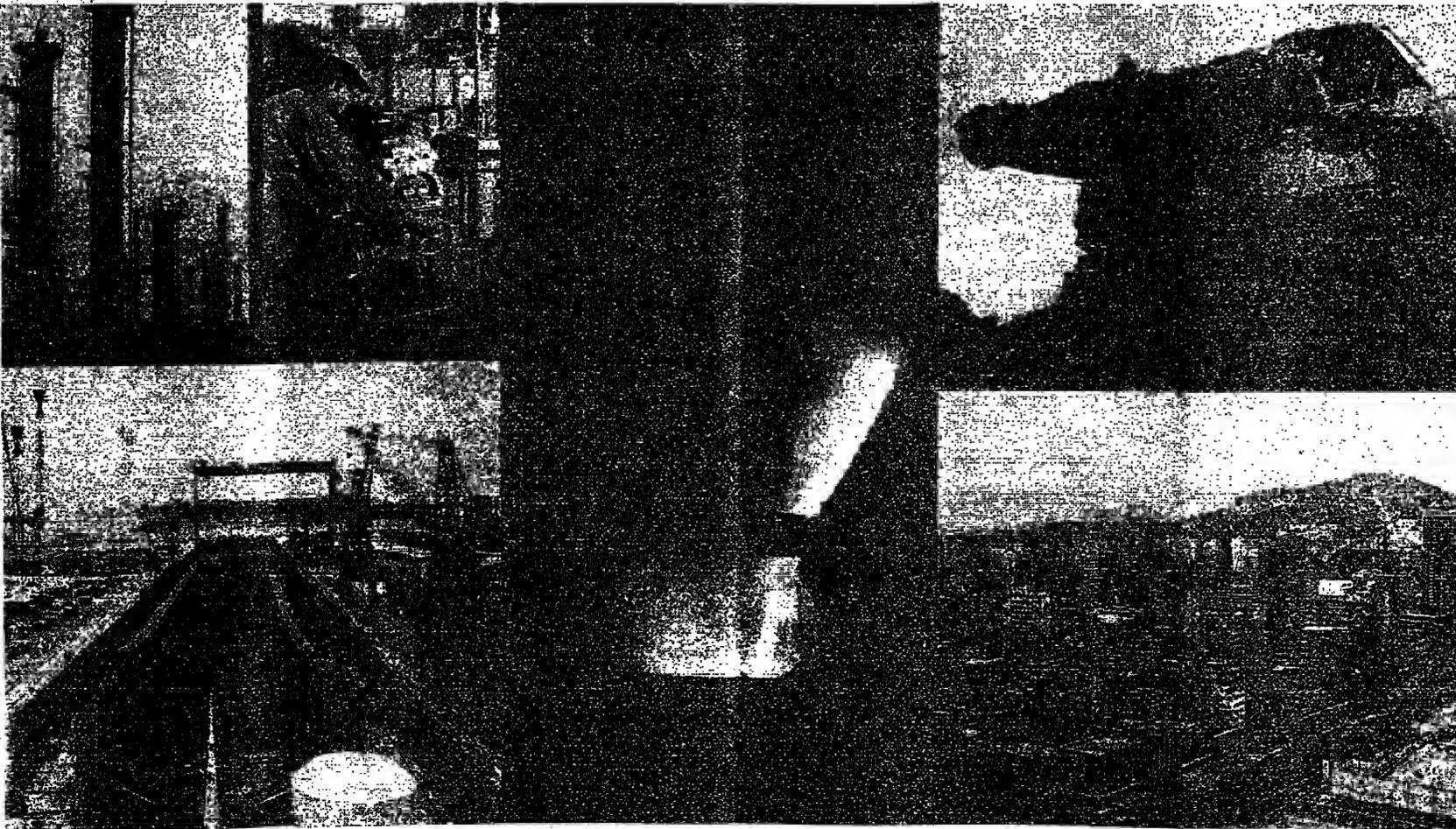
Thus the Korean industry managed to boost its overall production capacity to 4.5m. tonnes, or five times what it was just five years earlier.

Large investment went into Posco, and not a small proportion of foreign loans. No final sum is published, but the last phase (a cold-rolling mill) of the Pohang expansion cost around \$145m., of which \$100m. was paid with foreign capital. And the mill, with 455,000 tonnes capacity, represents under a third of the expansion.

Seoul is convinced that its gamble has already paid off. In 1977 Korea will import some 670,000 tons of iron and steel products (mostly medium-thick plate, wire rope, section steel, and steel bars and pipes) and export 1.7m. tons. Thus Korea is now self-sufficient in terms of crude steel, even though it still must import its special steel requirements. Unlike the shipbuilding in-

D.R.

Exploring for the future while cherishing for the past.

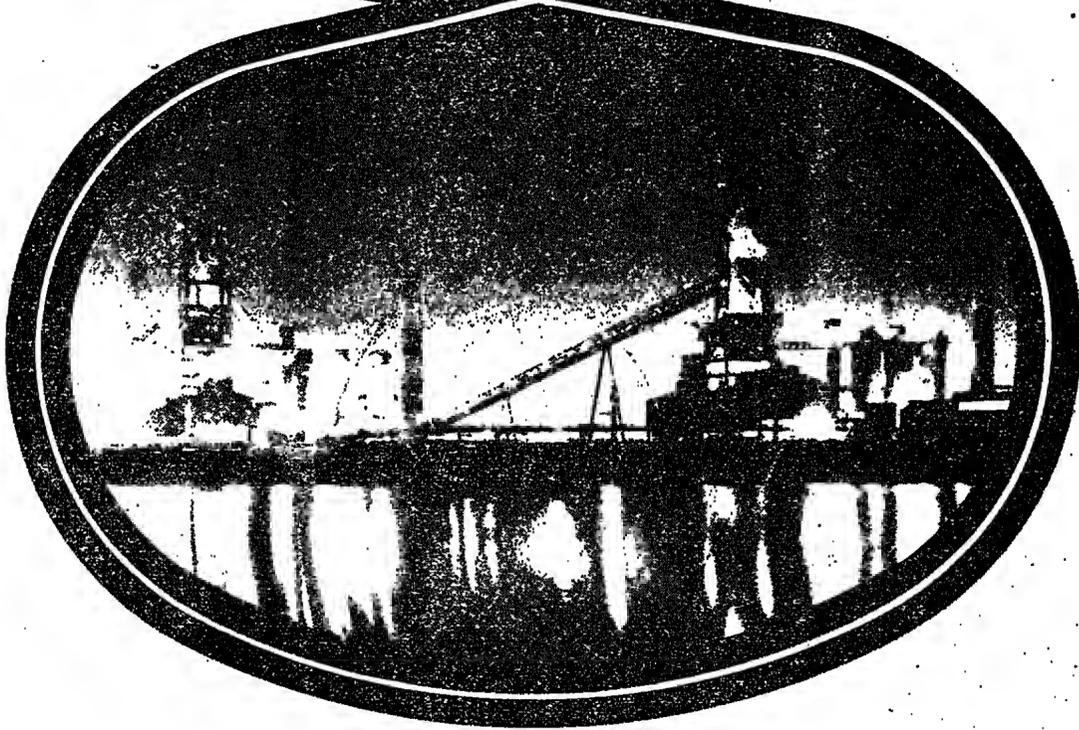
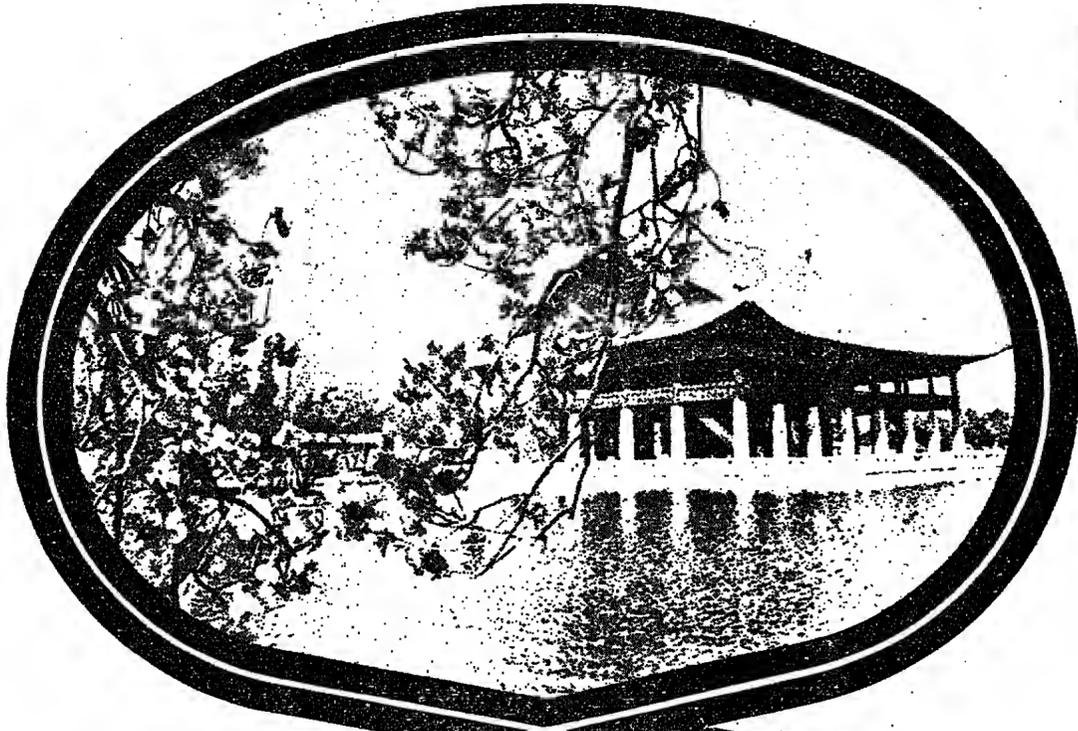


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The taxing question of saving British films

By ARTHUR SANDLES, Cannes, Sunday



Grade: one of the main line

Wilson: first meeting

Delfont: plenty to say

EMILY Rank, Organisations' Pledge, has big plans for the year but as of May 15 she is having to content itself with a TV series, and at Shepton Mallet the main activity was the American financed film 'The American' which is likely to be a re-take of production plans, like Harry Saltzman, Cubby Broccoli, and Joseph Looney production by these two who once used Britain as their base, have now departed, leaving a thin line of movie moguls like Stanley Kubrick, Fred Zinneman and, of course, our exhibit, particularly British very own the Lords Delfont and Grade.

Whether Rank, EMI, or Lord Grade can revive the business on their own is doubtful, however good their intentions. And that is why the film business is presently the Government hard for the sort of sympathetic attention which it needs. Sadly enough there may be a big name British passport holder in Cannes for the film festival this week than could be assembled in Britain. A cinematic brain drain has come a flood over the past few years and many of the top names in the industry cannot or do not cross to U.K. shores. Mr. Edmund Dell somewhat belatedly announced the formation of the Harold Wilson Film Industry Committee on a producer, David Puttnam, and a Buzzy Malone. Attending committee meetings might be difficult for them. He has just accepted an offer to return to the U.S. last count only one film was being made at Elstree, and that a low-budget TV spin-off. Rank's

Several things helped to change this scene. There was a swing to low-budget, home-oriented films in the U.S.; many American companies entered a period of financial strain; the U.S. itself joined other countries in giving film investment incentives; and at the same time life in Britain became more expensive and tax advantages for foreigners were eroded. The 'Cayman Islands' loophole was closed. Now the tax rules are fiercer for British nationals who live abroad than for foreign nationals should they be offered temporary film work here.

Many California or Swiss based British actors and directors can only come to the U.K. for three months in some years before they run into problems with the taxman. A foreigner working on a British film can stay for more than twice as long. Says Lord Delfont, EMI's film chief: 'I quite often say "Let's have him or her for the part, and I'm told that they can't come because of tax." Many of those involved use up little of their three months. "What happens if my mother is ill?" Or there is some other family disaster?' said one. 'I haven't risked using all my days.' The Film Production Association president is plumb about the position. 'We have to find some way for British subjects to be treated in the same way as foreign subjects.'

The Wilson interim committee held its first meeting last week, in the frenetic film world run-up towards the Cannes festival. The critical financial state of the industry was high on the list of matters under discussion. Already the Terry Committee,

which preceded Sir Harold's team and included members such as Lady Falkender and Lord Delfont, has had things to say about tax. The film industry generally feels the returns justify the investment. Film-making seems to demand a peculiar type of financial talent, one which is wedded to a near unique entrepreneurial spirit. As far as the U.K. is concerned this is most vividly displayed by Lord Lew Grade, whose spectacular conversion from television magnate to film producer has captured the imagination of the world's film-makers. Whatever Rank may do it is Grade and his younger brother Lord Delfont who are the current kings of the U.K. screens. 'Wheeler-dealing' has nasty undertones but take these away and you have the essence of Grade's skill. From a comparatively low financial base—his Hollywood standards ATV is not a cash fat company—Grade has somehow managed to launch a \$100m production programme. Via handshakes and transatlantic telephone calls—have Lord Grade been accused of being tough, but never of breaking the bank—has constructed a network of co-producers and guaranteed sales. As the money flows in, it is as if the Barry Spinkings and Michael Deeleys of the world were doing from Voyage of the Damned and The Eagle has landed, and more pictures are produced. In theory, the whole pack of co-producers, if three or four on a picture, are loss makers, but even if it did strike Grade, would have much of the cost underwritten and would retire with only his pride hurt; his bank balance would be virtually intact.

Brother Bernard does not have a television base from which to build, but he does have a tidy slice of the U.K. cinema outlets under his control. More than a quarter of U.K. films go through EMI's doors last year. EMI's pattern for the moment seems to be to judge cash-towards Hollywood where EMI Films Inc. and EMI Television Productions are the current golden boys of Sir John Read's EMI empire with Lord Delfont as the head of that particular activity. The aim is to create such an image in California that tempting talent back to Elstree will be a somewhat easier task than it is at the moment.

EMI has high ambitions in the film business but is taking great pains to ensure that these ambitions are producing no show too much public blind. When the company acquired British Lion last year there were predictions of sweeping changes in the money flows in, it is as if the Barry Spinkings and Michael Deeleys of the world were doing from Voyage of the Damned and The Eagle has landed, and more pictures are produced. In theory, the whole pack of co-producers, if three or four on a picture, are loss makers, but even if it did strike Grade, would have much of the cost underwritten and would retire with only his pride hurt; his bank balance would be virtually intact.

moves which follow weeks of speculation and a measure of public wrangling. All in all, however, EMI has managed in push through much of its reorganisation with relatively little fuss. Rank has done it without any fuss at all. In its changes a whole new division has been set up. Rank Productions, with the manager of the group's Dutch film affiliate, being brought in to head it. Mr. Morris Young, managing director of United Artists in Britain for the past few years, moves across to Rank in take over the distribution side. As such Young will find himself at the eye of the hurricane as far as criticism from some of Britain's independent film-makers are concerned.

Many young film-makers, particularly those involved in the newish ginger group, the Association of Independent Producers, feel that the distributors take too much out of the film industry. This is, of course, fairly denied by the film majors but it is true that a film actually needs to cross two to four times its 'negative' (prime production cost) before it comes into profit. The distributors argue that the film-makers initially misunderstand the costs of distribution such as making prints, physically getting them to the hundreds of cinemas, and advertising. The film-makers argue that whoever loses money on a picture, the last person to do so normally is the distributor.

All these are arguments which the Wilson Interim Committee is going to hear to the point of boredom. What all the critics seem to be agreed upon is that the 'interim' ought to be as short as possible, and the 'action' pretty firm. High on the list of most film-makers is the need to bring pressure on the television companies in pay a higher rate for old movies which which they still much of their time.

The FFA prints out that the BBC might pay £3,000 for an hour of old film, but spend £4,000 on an hour of its own drama production. The television film meanwhile is competing with new films being shown in the high street. A producer finds himself competing with his own product, and being underpaid. But most of all the cry is for an easing of taxation. At the moment low British pay and high taxation for residents means that it is worth emigrating to take advantage of cheap labour, and leaving again before the taxman comes knocking at the door. A couple of months ago an American film producer complained to me to coffee in his Dorchester suite. He glared over Park Lane, savouring the London good life. 'I'm a carpet bagger,' he said. 'I come here, make my money, and go. That's what you people seem to want. You don't want the film industry to stay.'

Attractive

While conversations with the Department of Trade and other 'official' areas of the film business tend to turn to the ways in which more finance can be diverted into film-making, those with the film-makers themselves return consistently to tax. The film business is one of the most mobile. Although the technical equipment available is a considerable attraction, the business is largely built around people, and people tend to home in on the centres which offer the greatest financial inducement. Britain was a highly attractive film-making base in the 60s. Not only was there a large pool of domestic skill but foreign money was free to enter and depart with relative ease. Foreign nationals could take up residence in what was regarded as a highly civilised country and retain a high proportion of their international earnings untaxed. Even Britons who were based here but ventured abroad from time to time on contract work could negotiate not discouraging terms with the tax man.

Near unique

Tax is, however, but part of the problem and much of the rest might reside under the indefinable heading of confidence. There is a marked lack of enthusiasm within the financial community about films. While American banks and industrial companies might be tempted into the movie business there is little sign that their British counterparts have similar desires. 'Cosmetics maker Brunel and publishers Readers Digest continue to put cash and mar-

Letters to the Editor

Turn-outs at elections

In the Greater London Council member for Finchley. It is a common misconception to imagine that turn-out at local elections is low (your May 5 and subsequent responses). There is no such thing as a 100 per cent

course is not applicable when there is an advance outstanding. Finally it would be interesting to know if the British workers can propose any similar, flexible arrangements with regard to their own employment.

British books in France

From Mr. R. Beardwood. Sir—One of the theoretical benefits of Britain's having joined the European Community is that our exports will enjoy lower tariffs. The theory does not seem to have worked for books. At all bookshops in France the price is at least twice that recommended by the British publisher. For example, a Penguin priced 50p in England cost me this week no less than Frs.9.60—£1.14 at current rates of exchange. The consequence must be that British publishers are losing sales. So, of course, are French booksellers, since the situation is either to order direct from England or to slip across the border into Spain, where a 50p book costs a mere 70p or so. The huge French mark-up does not appear to be an example of linguistic imperialism, or individual sellers' opportunism, since it applies to a Paris shop owned and operated by a British wholesaler. Extensive correspondence with the company did not solve the mystery: why are British books so costly in France? Roger Beardwood. Ferme Altorpa, 64210 Arbonne, France.

CH and P. in isolation. No examination of any part of the energy problem is realistic unless considered in full context. His diagnosis of the rampant cost of the nation in overall energy provision and a responsible attitude to fuel reserves. We are gas 'guzzling' in another context just as reprehensible, just as regardless of our reserves and the demand for synthetic natural gas we are treating what those reserves run out. CO2 for SNG then will be converted into heat at about 34 per cent efficiency instead of the 70 per cent GH and P would provide. At to-day's prices the capital cost would also be higher for SNG.

Insulation and condensation

From Mr. E. Ambrose. Sir—I must answer Mr. Lesslie's letter (May 10) because he obviously did not read my letter of April 28 but relied on the commentaries, thereby misquoting me. His statement 'insulation is so often a poor return on investment on its own as it results in gross over-heating' is Humpty Dumpty thinking. You cannot blame insulation because it saves energy which is then used in other ways. His diagnosis of the rampant cost of the nation in overall energy provision and a responsible attitude to fuel reserves. We are gas 'guzzling' in another context just as reprehensible, just as regardless of our reserves and the demand for synthetic natural gas we are treating what those reserves run out. CO2 for SNG then will be converted into heat at about 34 per cent efficiency instead of the 70 per cent GH and P would provide. At to-day's prices the capital cost would also be higher for SNG.

TV's share of advertising

From Mr. H. Henry. Sir—in his note (May 12) of the J. Walter Thompson analysis of advertising expenditure in 16 countries, Michael Thompson-Noel observes that 'a ten-year comparison clearly shows that in countries where TV is available, it has made big gains in its share of total media expenditure at the expense of the Press.' Whatever may be the case in other countries, this is not true of the U.K. TV's share of total media expenditure fluctuated between 24 and 25 per cent during the early 1960s, was 26 per cent in 1966 and 1967, declined to 23 per cent in 1970, rose again to 25 per cent in 1971, fell back to 23 per cent in 1973, and returned to 25 per cent in 1976. Seeing how easily myths can be created and sustained, it is perhaps important to keep the record straight and not to confuse stability with gain. H. Henry. Harry Henry Associates, 7 The Green, Esher, Surrey.

Charges for library services

From the Secretary. The Library Association. Sir—Samuel Brittan (May 3) argues for the introduction of charges for library services on specified days and asks whether libraries must 'face a bleak future because their supporters find simple economic logic—plain logic—distasteful.' The difficulties currently faced by the world economy suggest, regrettably, that I am not alone in finding economic logic neither simple nor often logical. The essence of his argument, which would provide privilege days for those who decide to afford them, is that this would maximise utility and minimise fixed-cost losses. His proposal has to be viewed against the philosophy underlying the provision of library services in the public sector: the aim of these services is education and through public libraries, is to provide to the widest possible public a ready availability of information, ideas and concepts through books and other media. The success of the library movement (and the level and scope of the service in the United Kingdom) is still regarded with envy by most other countries, and based upon the wholehearted pursuit of this philosophy and the principles derived from it. In our intricate society, still concerned with problems of literacy and cultural identity and with the need for a high degree of literacy increasingly self-evident, libraries make an important contribution in providing as basic access for many people in records and information. The introduction of privilege days will do little to further the efforts now being intensified by library services to reach into immigrant communities, to provide back-up services for literacy

Gas guzzling is reprehensible

From Mr. N. Jenkins. Sir—It is difficult to understand what Anthony Harris in the Lombard column of May 10 is really saying in defence of gas guzzlers. Power to weight ratio must surely come into the equation—fuel consumption in calculation and passenger/100 miles cannot be relegated to unimportance in service obtained. Mr. Harris queries the guzzling argument to lead into President Carter's stress on reducing dependence on imported fuel, calling this 'plain suicidal'—presumably because it would exhaust U.S. native resources all the quicker. This is to take one part of the U.S. plan very much out of context. President Carter's advisers can see none of the problem that that represented by only one aspect of the road transport factor. Conversion of power station burn from oil to coal must have a far greater effect on overall fuel consumption and leave more oil for transport. If the remarkable plan proposed in the March issue of 'Science' is not one, the annual profitably be saved by this subscription account—annual savings of 1.1 x 10¹⁰ barrels of oil (equivalent) enhanced interest of 8 or 9 upwards could be achieved. This extremely through examination of the potential of CH and P for the U.S. has been carried out by three physicists (including the editor) and published every time the rates are changed. The report is sent out promptly by immediate new payment—which

ay in advance possible

Mr. N. Wild. Mr. Heydemann (May 12) did mention loss of tax when building society interest is saved. Thus the interest is not less for rate taxpayers and not per cent. His scheme is worth while and is one in practising it. The feeling is that the option of 'advanced' payment is eight or nine months options. The saving on the eleventh month is worth while—the twelfth never be advanced of this reduces the so-called 'front end' of monthly repayments, and not one, the annual profitably be saved by this subscription account—annual savings of 1.1 x 10¹⁰ barrels of oil (equivalent) enhanced interest of 8 or 9 upwards could be achieved. This extremely through examination of the potential of CH and P for the U.S. has been carried out by three physicists (including the editor) and published every time the rates are changed. The report is sent out promptly by immediate new payment—which

To-day's Events

EEC Finance Ministers and Agriculture Ministers begin two-day meeting in Brussels. Mr. Edward Rowlands, Minister of State, Foreign and Commonwealth Affairs, attends conference in Mozambique which will discuss Rhodesia and Namibia (South West Africa). Group of British and U.S. officials leave for Africa to begin consultations with all parties likely to be involved in any settlement in Rhodesia. Mr. Michael Foot, Lord President of the Council, speaks at Foreign Press Association lunch.

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Properties Pending dividends timetable

Table with columns: Company Name, Dividend Date, Dividend Amount, Yield %

Public Works Loan Board rates

Table with columns: Term, Rate

Petrofina's blowout cost

RECENT ISSUES

Table with columns: Issue Name, Price, Yield

Table with columns: Rights Offer Name, Price, Yield

Table with columns: Bank Name, Lending Rate

INTERNATIONAL COMPANY NEWS DSM profit falls

BY MICHAEL VAN OS AMSTERDAM, May 15. DSM, the large state-owned Dutch chemicals group, saw its 1976 net profit fall by 8 per cent...

Barclays National

BY RICHARD ROLFE JOHANNESBURG, May 15. BARCLAYS National Bank, the making Rand Selection, which is part of the Anglo American Group...

Money and Exchanges

Bank of England Minimum Lending Rate. Interest rates remained fairly steady throughout most of last week...

Table with columns: Currency, Rate

Table with columns: Market, Rate

Table with columns: Currency, Rate

Table with columns: Currency, Rate

Table with columns: Currency, Rate

MINING NOTEBOOK Learning to live with political blizzards

BY LODESTAR. IF THE WORLD'S supply of vital metals is to be sustained in decades to come...

Bank of NSW

SYDNEY, May 15. THE Bank of New South Wales, Australia's largest private trading bank, lifted earnings 30 per cent in the March half year...

INSURANCE Carrying hazardous matter

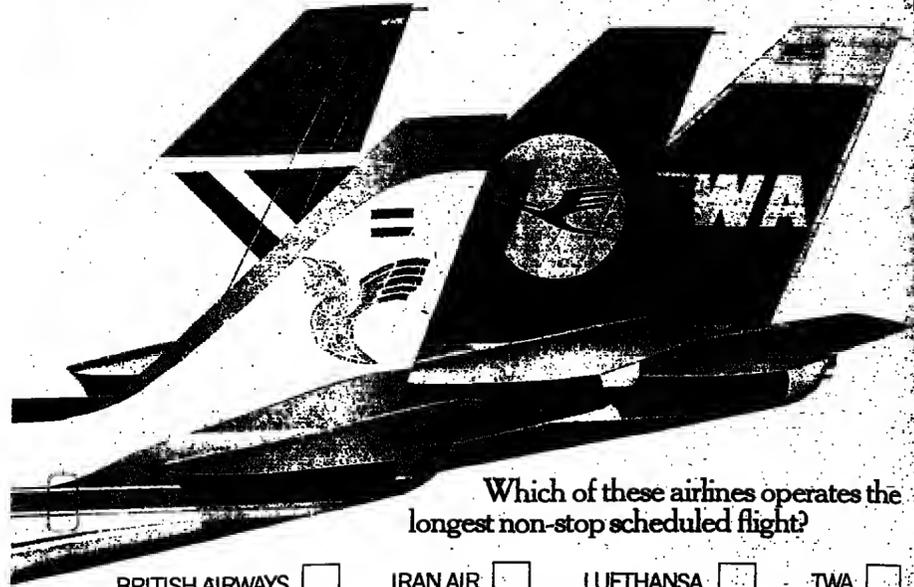
BY OUR INSURANCE CORRESPONDENT. RECENTLY, I think it was in one of the motor trade magazines...

Change of Address

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SWISSAIR SAS OLYMPIC AIRWAYS IRAN AIR



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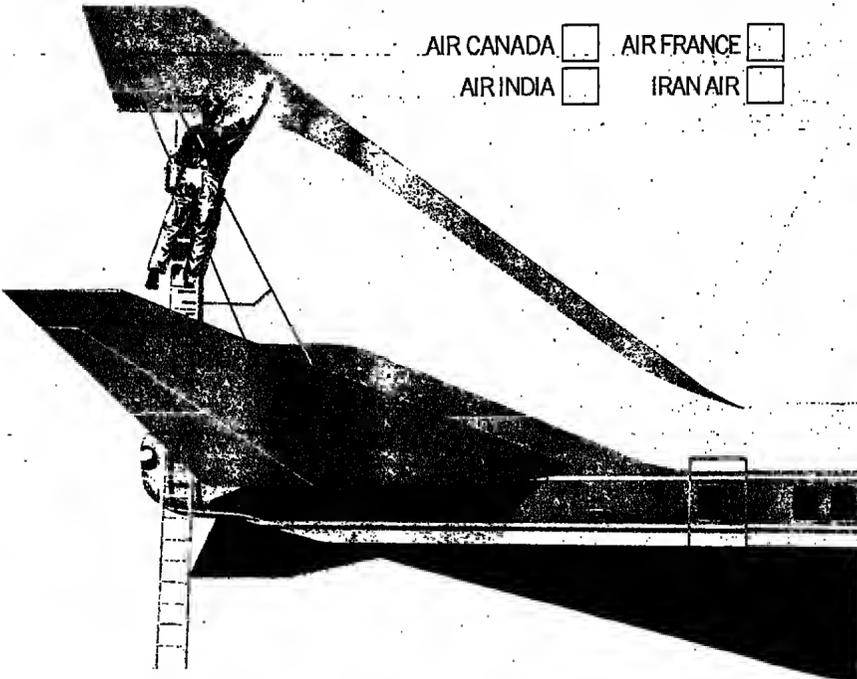
BRITISH AIRWAYS IRAN AIR LUFTHANSA TWA

Only one of these airlines flies to London, New York, Moscow, Peking and Tokyo. Which is it?



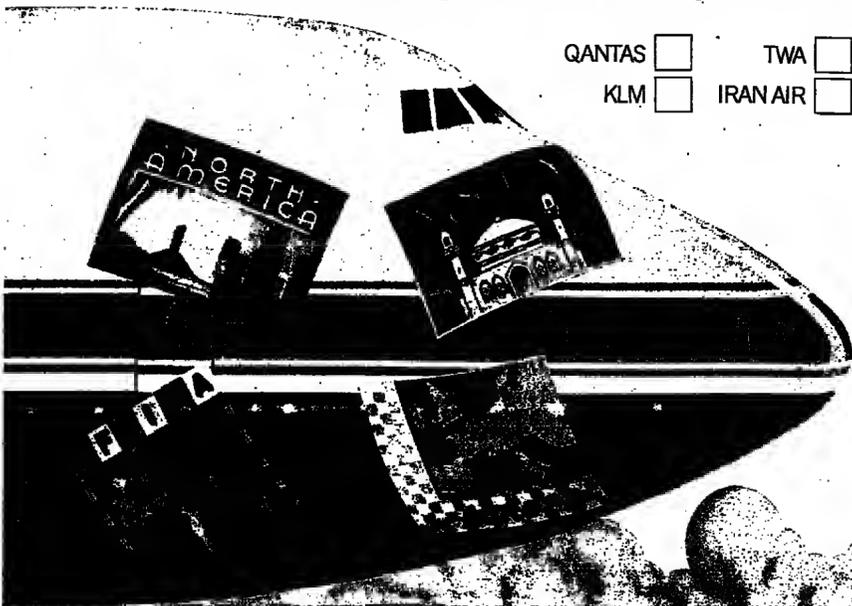
PAN AM LUFTHANSA BRITISH AIRWAYS IRAN AIR

Only one of these airlines has the new high flying 747SP Jumbo, the most comfortable plane in the sky. Which one?



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AIR INDIA IRAN AIR

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ایران ایر

OVERSEAS NEWS

Sauvagnargues to become new French envoy to U.K.

By ROBERT MAUTHNER

PARIS, May 15.

JEAN SAUVAGNARGUES, Embassy in Bucharest in last March's Cabinet reshuffle, which followed the big gains made by the Socialist-Communist alliance in the municipal elections, will shortly undertake a special mission to Latin America...

JAPAN-SOVIET FISH TALKS

Costs and bitter feelings mount

By DAVID SATTER

MOSCOW, May 15.

AN INDICATION of how serious and claims. The refusal of the Soviet-Japanese confrontation Japan to recognise Soviet control over fishing rights has been the principal sticking point...

Thousands mourn Polish student

By CHRISTOPHER BOBINSKI

CRACOW, May 15.

UND 4,000 Cracow students asked people not to participate in the traditional student rag scheduled for this week-end...

had hoped to attend this morning's memorial, were detained in Warsaw yesterday and five people have still not been released...

New Finnish Government sworn in

By LANCE KEYWORD

HELSINKI, May 15.

THE "popular front" Government was sworn in today in a ceremony through stimulation of investment in export-oriented and import substituting industries...

Pravda attack on China

By OUR OWN CORRESPONDENT

MOSCOW, May 15.

THE HOPE that Sino-Soviet relations might improve following the death of Chairman Mao Tse-tung has been effectively killed in an explicit editorial in the Soviet Communist Party newspaper Pravda...

Tokyo Pacific Holdings N.V.

Tokyo Pacific Holdings (Seaboard) N.V.

Quarterly Report as of 31st March 1977 has been prepared and may be obtained from:

- Holding A. Pierson N.V., 208-214, Amsterdam; Westminister Bank Limited, 100, London EC2 P2BP; Rothchild & Sons Limited, 100, London EC2 P2BP; Lynch International Inc., 56 Pitt Street, Sydney N.S.W. 2000

K-Mart (Australia) Finance Limited 9% Debentures

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of July 1, 1976 (the "Indenture") between K-Mart (Australia) Finance Limited, a Bermuda limited company (the "Company") and The Royal Bank of Canada Trust Company, a New York corporation, as Trustee, \$386,000.00 aggregate principal amount of the Company's 9% Debentures issued and outstanding under the Indenture...

Table with columns for \$1,000 COUPON DEBENTURES BEARING THE PREFIX LETTER M, listing numbers and amounts.

The Redemption Price for the Debentures specified above will become due and payable and, upon presentation and surrender of such Debentures (together with all coupons appertaining thereto maturing after the Sinking Fund Redemption Date) will be paid on and after the Sinking Fund Redemption Date...

Coupons due on July 1, 1977 should be detached and presented for payment in the usual manner.

K-Mart (Australia) Finance Ltd. By The Royal Bank of Canada Trust Company, New York, as Trustee

May 16, 1977

UCB - Brussels 1976

At the meeting held on 14th April, 1977, the Board of Directors approved the accounts for the 1976 financial year. The following statement by Mr. P. Foriers, Chairman, serves as an introduction to the Report to the Shareholders' General Meeting of the 14th June, 1977.

In his statement last year Baron Janssen expressed the hope that the Group would in 1976 regain its normal development path and rate of profitability and that 1975 would be seen to be just a temporary diversion.

The strikes at our three main factories in Flanders, one of which lasted for fifty-three days and the two others for thirty-two days, partly nullified the work of these early months. In the second half of the year the Film Sector slowly recovered its momentum...

The current position of the Group as a whole is then considerably better than at the end of last year. The hopes based on the development of the Film Sector and the Pharmaceutical Sector are being realised. Our attention will be mainly concentrated on the Chemical Sector which is today enjoying a better level of utilisation of its production capacity...

FINANCIAL HIGHLIGHTS table showing UCB GROUP and UCB's proportion of various metrics for 1974, 1975, and 1976.

Cash flow consists of: Depreciation taken into the profit and loss accounts. No account, however, has been taken in 1976 of the 236mm. BF of depreciation of research costs.

Copies of the 1976 Annual Report (in English, French or Dutch) will be available in June and can be obtained on request from: UCB s.a. Public Relations Department, Chaussée de Charleroi, 4 B.1060 BRUSSELS-BELGIUM.

Clarke Chapman Limited 1976 Results

Table showing 1976 and 1975 results for Clarke Chapman Limited: Turnover £204,000, Profit before tax £8,121, Profit after tax £4,776, Dividend per ordinary share 7.5038p, Earnings per ordinary share 14.26p.

Points from Statement of the Chairman Sir James Woodeson, CBE, TD. The trading profit for the year ended 31st December 1976, derives substantially from activities other than our UK power station boiler business which is currently under review following the report of the Central Policy Review Staff on the future of the UK power plant industry.

The Eighty-fourth Annual General Meeting will be held on Wednesday 8th June, 1977 at 3.00 p.m. at the Company Headquarters, Victoria Works, Gateshead.

Clarke Chapman Limited logo and tagline: ENGINEERING FOR INDUSTRY WORLDWIDE

BY MARY CAMPBELL

OVERSEAS MARKETS

Dollar sectors take a hammering

THE DOLLAR sectors of the Eurobond market took another hammering last week with prices of recent issues in general down anything between a quarter and 1 1/2 points. This was true of Canadian as well as U.S. dollar issues. Prices fell further in the first half of the week and there were signs of stabilization on Thursday evening and Friday.

Table with columns: Borrowers, Amount \$m., Maturity, Av. life, Coupon, Price, Lead manager, Offer yield %.

with the seven-year tranche indicators. Ontario Hydro's \$120m. issue is currently yielding between 8 and 8 1/2 per cent on \$3 per cent. coupon and Volkswagen's \$150m. issue just under 8 per cent on a 7 1/2 per cent coupon.

three French nationalised banks and Credit Suisse White Wed for Swiss placing power under a British roof.

Table with columns: Index, May 15, May 12, May 11, May 10, May 9, High, Low, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900, 1899, 1898, 1897, 1896, 1895, 1894, 1893, 1892, 1891, 1890, 1889, 1888, 1887, 1886, 1885, 1884, 1883, 1882, 1881, 1880, 1879, 1878, 1877, 1876, 1875, 1874, 1873, 1872, 1871, 1870, 1869, 1868, 1867, 1866, 1865, 1864, 1863, 1862, 1861, 1860, 1859, 1858, 1857, 1856, 1855, 1854, 1853, 1852, 1851, 1850, 1849, 1848, 1847, 1846, 1845, 1844, 1843, 1842, 1841, 1840, 1839, 1838, 1837, 1836, 1835, 1834, 1833, 1832, 1831, 1830, 1829, 1828, 1827, 1826, 1825, 1824, 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AUTHORISED UNIT TRUSTS OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for various regions including London, New York, and Hong Kong.

HIGHS AND LOWS S.E. ACTIVITY

Table detailing high and low stock prices and activity in the South East region.

FT-100 ACTIVITY

Table showing activity for the FT-100 index.

HONG KONG SINGAPORE STOCKS

Table listing stock prices for Hong Kong and Singapore markets.

Large table listing insurance, property, and bond products with columns for company names, product details, and rates.

HOME NEWS

Inflation threatens industrial recovery

Anthony Harris
RATE of inflation and the Government's credit...

Team rail plea

1,000 APPEAL was launched a week-end by steam train...

Drop new pension Bill, Methven tells Ennals

BY MICHAEL LAFFERTY

THE GOVERNMENT should abandon the proposed Bill which would give trade-unions...

gestions that trade unions intended to ask the Government to set up an agency...

Pension funds in the U.K. have investments now worth about £20bn...

Partnership

Mr. Methven claims that most employees and pensioners are opposed to the Government's plans.

that all members of schemes should have the opportunity to participate in their management.

Abandonment of the Bill would allow employers, employees, and the pension industry to get on with the task of extending and improving occupational pension schemes...

"It could ensure that occupational pension schemes—which already cover 11m. to 12m. people—are removed from the political power struggle."

Aged 'should have 22% rise' says Age Concern director

BY ERIC SHORT

A MINIMUM rise of 22 per cent in old age pensions in November is demanded by Mr. David Hohman, Director of Age Concern.

Pensioners should be compensated for inflation since their last increase in November last year and awarded a substantial real increase, Mr. Hohman said in Leicester on Saturday.

ning at 16 per cent, in the six months to March the increase was 9 per cent. If this trend continued, the possibility was for an inflation rate of 18 per cent over the year to November.

The last few months had seen a 18 per cent increase in gas charges, devaluation of the "green pound" and rises in rural transport costs, which

reinforced the arguments for a 18 per cent inflation rate.

In addition, a 4 per cent real increase in income was the minimum that pensioners could expect on top of providing for inflation.

Therefore there should be a rise of 22 per cent, bringing pensions for single persons to £19 per week and to £30 for married couples.

Courts get new credit powers

By Our Consumer Affairs Correspondent

THE provisions of the Consumer Credit Act, which will allow people to check and correct information held about themselves by credit reference agencies come into effect to-day.

At the same time, courts take on new powers to protect borrowers against exorbitant charges of other contraventions of fair dealing.

Under the new regulations, which will remove much of the secrecy which has surrounded the question of loans, lenders and hire-purchase companies will have to give borrowers, when asked, the name and address of any credit reference agency which has been consulted while considering whether or not the loan should be granted.

The agencies in turn will be required initially within 15 working days, to give consumers copies of files relating to them and, if appropriate, to correct any inaccurate entry prejudicial to the consumer.

The regulations bring into effect provisions of the Act which allow courts to reopen any credit agreements which mean that the borrower is having to pay an exorbitant rate of interest or which otherwise contravene the concept of fair dealing.

This provision applies to all agreements where the debtor is an individual, regardless of when the agreement was made.

Freddie Laker wins award for enterprise

THE 1977 National Free Enterprise Award, sponsored by the Aims for Freedom and Enterprise this year goes to Mr. Freddie Laker, chairman of Laker Airways.

Other awards are made to Mr. Christopher Bailey, chairman of C. H. Bailey, Mr. Bernard Bulpin, one of the shop stewards who supported Mr. Bailey in his fight against nationalisation, Mr. Patrick Hubber, city editor of the Snoddy Telegraph, and Mr. John Deftmer, retiring director general of the Economic League. A posthumous award has been made to Mr. Tibor Szamuely, the Scottish award goes to Mr. W. R. Alexander, chairman of Scotcor Limited and of Walter Alexander (Coachbuilders).

SUMMER SCHOOL '77

ACCOUNTING AND FINANCIAL MANAGEMENT FOR NON-FINANCIAL EXECUTIVES

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Professor M Bromwich Sr Julian Hoag Professor of Accounting University of Wales Institute of Science and Technology

Mr P P Burnham Director Cooper & Lybrand Associates Limited

Mr David C Osmant President European Federation of Financial Analysts Societies Partner, Investment Research Ltd

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\$25,000,000

Bougainville Copper Finance N.V.

8 3/4% Guaranteed Notes Due 1984

Payment of principal, premium, if any, interest and sinking fund, unconditionally guaranteed by

Bougainville Copper Limited

MORGAN STANLEY INTERNATIONAL

DRESDNER BANK UNION BANK OF SWITZERLAND (SECURITIES)
BANK OF AMERICA INTERNATIONAL KLEINWORT, BENSON LIMITED
N. M. ROTHSCHILD & SONS LIMITED

ALGEMENE BANK NEDERLAND N.V. A. E. AHES & CO. AMEX BANK AMSTERDAM-ROTTERDAM BANK N.V.

ANDRESENS BANK A/S AUSTRALIAN EUROPEAN FINANCE CORPORATION BACHE HALSEY STUART INC.

BANCA COMMERCIALE ITALIANA BANCA DEL GOTTARDO BANCA NAZIONALE DEL LAVORO

EANCO DI ROMA THE BANK OF BERMUDA BANK GUTZWILLER, KURT, EUNGENER (OVERSEAS)

EANK JULIUS BAER INTERNATIONAL BANK LEU INTERNATIONAL LTD.

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BANQUE BRUXELLES LAMBERT S.A. BANQUE FRANCAISE DU COMMERCE EXTERIEUR

BANQUE GENERALE DE LUXEMBOURG S.A. BANQUE DE L'INDOCHINE ET DE SUEZ

BANQUE INTERNATIONALE A LUXEMBOURG S.A. BANQUE NATIONALE DE PARIS

BANQUE DE NEUFUISE, SCHLUMBERGER, MALLET BANQUE DE PARIS ET DES PAYS-BAS

BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG BANQUE PRIVÉE S.A. BANQUE ROTHSCHILD

BANQUE WORMS BARCLAYS BANK INTERNATIONAL BARRING BROTHERS & CO.

BAYERISCHE HYPOTHEKEN-UND WECHSELBANK BAYERISCHE VEREINSBANK BERGEN BANK

BERLINER HANDELS-UND FRANKFURTER BANK BREISACH PINSCHOF SCHOELLER

CAISSE DES DEPOTS ET CONSIGNATIONS, CAZENOVE & CO. CHASE MANHATTAN CHRISTIANIA BANK OG KREDITKASSE

COMMERZBANK COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS (UNDERWRITERS) S.A.

COMPAGNIE LUXEMBOURGEOISE DE LA DRESDNER BANK A.G. DRESDNER BANK INTERNATIONAL CONTINENTAL ILLINOIS

COUNTY BANK CREDIT COMMERCIAL DE FRANCE CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE

CREDIT INDUSTRIEL ET COMMERCIAL CREDIT LYONNAIS CREDIT DU NORD

CREDIT SUISSE WHITE WELD CREDITANSTALT-BANKEVEREIN DAIWA EUROPE N.V.

RICE ARD DAVIS & CO. BANKIERS DELBRÜCK & CO. DEN DANSKE BANK DEN NORSEK CREDIT BANK

DEUTSCHE BANK DEUTSCHE GIROZENTRALE DEWAAY & ASSOCIES INTERNATIONAL S.C.S.

DOMINION SECURITIES EFFECTENBANK-WARBURG EUROCAPITAL S.A.

EUROMOBILIARE S.A. EUROPEAN BANKING COMPANY FINACOR

COMPAGNIA EUROPEA INTERMOBILIARE FUJI KLEINWORT BENSON

FIRST BOSTON (EUROPE) FIRST CHICAGO ROBERT FLEMING & CO. HILL SAMUEL & CO.

GOLDMAN SACHS INTERNATIONAL CORP. HESSISCHE LANDESBANK GIBROZENTRALE

IBI INTERNATIONAL ISTITUTO BANCARIO SAN PAOLO DI TORINO JARDINE FLEMING & COMPANY

KIDDER PEABODY INTERNATIONAL KJØBENHAVNS HANDELSBANK KREDITBANK N.V.

KREDITBANK S.A. LUXEMBOURGEOISE LAZARD BROTHERS & CO. LAZARD FRERES ET CIE

LOYDS BANK INTERNATIONAL LONDON MULTINATIONAL BANK (UNDERWRITERS)

MANUFACTURERS HANOVER MERRILL LYNCH INTERNATIONAL & CO. E. METZLER SEEL, SOHN & CO.

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VERDERLANDSCHE MIDDENLANDSBANK N.V. NESBITT, THOMSON THENIENKO SECURITIES CO., (EUROPE) LTD.

VONMURA EUROPE N.V. SAL OPPENHEIM JR. & CIE. ORION BANK

ARTNERSHIP PACIFIC PETERBROECK, VAN CAMPENHOUT, KEMPEN S.A. PICTET INTERNATIONAL

PIERSON, HELDRING & PIERSON N.Y. PKBANKEN PRIVATBANKEN

ROTHSCHILD BANK AG SALOMON BROTHERS INTERNATIONAL J. HENRY SCHRODER WAGG & CO.

SHIELDS MODEL ROLAND SKANDINAVISKA ENSKILDA BANKEN

WITE BARNET, HARRIS OFHAM & CO. SOCIETA FINANZIARIA ASSICURATIVA (SOFIAS) SOCIETE GENERALE (R.A.S. GROUP)

OCIETE GENERALE DE BANQUE S.A. STRAUSS, TURNBULL & CO. SUMITOMO FINANCE INTERNATIONAL

TENSKA HANDELSBANK SWISS BANK CORPORATION (OVERSEAS)

TRADE DEVELOPMENT BANK OVERSEAS INC. VEREINS-UND WESTBANK J. YONTOBEL & CO.

G. WARBURG & CO. LTD. WESTDEUTSCHE LANDESBANK WOBACO INVESTMENTS

WOD GENDY YAMAICHI INTERNATIONAL (EUROPE)

This announcement appears as a matter of record only

Société Française du Tunnel Routier du Fréjus

Lyon, France

Dfls 55,000,000 guaranteed loan due 1983/1997

Payment of principal and interest is unconditionally guaranteed by the French State

This private placement with institutional investors in The Netherlands has been arranged

by ALGEMENE BANK NEDERLAND N.V. and BANQUE BRUXELLES LAMBERT S.A.

April, 1977

This announcement appears as a matter of record only.

A Wholly-Owned Subsidiary of

Wheelabrator-Frye Inc.

has acquired approximately 97% of the partnership capital of

Berger Maschinenfabriken GmbH & Co., KG.

Bergisch Gladbach

CHEMICAL BANK

Corporate Finance Group - Europe 85, avenue Marceau - 75116 Paris

acted as financial adviser to the majority partner of Berger Maschinenfabriken GmbH & Co., KG, and assisted in negotiations leading to this transaction.

Serving the world with financial expertise. SANWA BANK Tokyo, Japan

INDUSTRIALS - Continued. Table listing various industrial stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft related stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

PROPERTY - Continued. Table listing property-related stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

TRUSTS - Continued. Table listing trust-related stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

MINES - Continued. Table listing mining stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

CENTRAL AFRICAN. Table listing Central African stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

AUSTRALIAN. Table listing Australian stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

TINS. Table listing tin stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

MISCELLANEOUS. Table listing miscellaneous stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

COPPER. Table listing copper stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

RUBBERS AND SISALS. Table listing rubber and sisal stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

TEAS. Table listing tea stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

INDIA AND BANGLADESH. Table listing Indian and Bangladeshi stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

AFRICA. Table listing African stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

CENTRAL RAND. Table listing Central Rand stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

EASTERN RAND. Table listing Eastern Rand stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

FAR WEST RAND. Table listing Far West Rand stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

O.F.S. Table listing O.F.S. stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

FINANCE. Table listing finance stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

DIAMOND AND PLATINUM. Table listing diamond and platinum stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

REGIONAL MARKETS. Table listing regional market data with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

PROPERTY, TOBACCO, TRUSTS, FINANCE, LAND. Table listing property, tobacco, trusts, finance, and land stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

INSURANCE. Table listing insurance stocks with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

OPTIONS. Table listing options with columns for Stock, Price, Last, Bid, Offer, Dividends, and YTD %.

3-month Call rates. Table listing 3-month call rates.

